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Pyankov Warns Tajik Fighting May Spread to Afghanistan

OW0403010294 Moscow Ostankino Television First Channel and Orbita Networks in Russian 1945 GMT 2 Mar 94

[By Negmatullo Mirsaidov from Tajikistan; a "Mir" Television Company report from the "Utro" program]

[Text] Regardless of how the social and political situation is stabilizing within our state, the military topic will continue to occupy a prominent place in mass media reports for a long time to come insofar as the situation on the Tajik-Afghan border has once again become more tense in recent days. Fighters of the Tajik opposition based in the Islamic Republic of Afghanistan are subjecting border posts as well as villages near the border to mass shelling. They are even using rocket projectiles.

In connection with this the Republic of Tajikistan Ministry of Foreign Affairs has lodged a protest with the Government of the Islamic Republic of Afghanistan in which it says that the Tajik side reserves the right to act, even to the extent of destroying fire points of the Tajik opposition fighters on the territory of the Islamic Republic of Afghanistan if the Government of this state does not take the necessary measures. [video cuts from studio shot of Mirsaidov to show Colonel General Boris Pyankov, commander of the collective CIS peacekeeping forces in the Republic of Tajikistan, being interviewed by an unidentified reporter]

[Begin Pyankov recording] Today we cannot permit artillery and mortars to fire for half an hour with the aim of destroying a border post, a kyshlak [village], or other positions. We cannot remain inactive so it is precisely at this point that the danger arises of our forces, including the peacekeeping forces—the Russian border guards and subunits of the Armed Forces of Tajikistan—being drawn into battles with subunits and their firepower—to put it simply, the enemy forces on Afghan territory. All of this can further complicate the situation—and I stress complicate the situation—and nothing more. There cannot be any new major war, any new large-scale killing ground or new large-scale action. [end recording]

Regardless of the difficult situation in which our country finds itself, the people of Tajikistan look to the future with optimism. Enlivenment of the social and political life indicates that with every passing day the people are becoming even more optimistic.

Shokhin on Ukraine Position Within CIS Economic Union

LD0303222494 Moscow ITAR-TASS World Service in Russian 1300 GMT 3 Mar 94

[Text] Moscow, 3 Mar (ITAR-TASS)—The participants in the 1 March meeting of the Coordinating Consultative Committee of the Commonwealth of Independent States (CCC CIS) "in principle approved the proposal to consider Ukraine an associate member of the CIS Economic Union." They instructed experts to complete work on an agreement on the conditions for Ukraine to join the Economic Union as an associate member before the upcoming joint meeting of the heads of states and governments of the Commonwealth, which is expected to be held on 31 March.

Russian Economics Minister Aleksandr Shokhin, commenting on the essence of this decision, stressed that when the Economic Union is discussing various questions, Ukraine will have the right to vote on those problems on which Ukraine has already ratified agreements within the CIS framework. During discussions of other questions Ukraine will have only the right of a consultative opinion.

Aleksandr Shokhin considers that "there will be no particular restrictions on Ukraine's activities within the framework of the Economic Union." He also noted that "Ukraine has moved further toward full membership than toward classical associate status." He considers that Ukraine's associate status in the CIS Economic Union is connected to a considerable extent with its internal political situation (the ratification of these documents will evidently be carried out by the next parliament). That is why Ukraine's associate status is a temporary situation, he explained.

Replying to a question about the possible time-scale for Ukraine to join the CIS Economic Union, Aleksandr Shokhin said that "this depends on Ukraine itself." He expressed the opinion that in order to have full and equal economic cooperation within the framework of the CIS, it is necessary for Ukraine "to smooth out" its economic policy and to overcome the trend toward hyperinflation.

ITAR-TASS Carries Press Review for 4 Mar

LD0403071894 Moscow ITAR-TASS in English 0609 GMT 4 Mar 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow March 4 TASS—TRUD on the Russian-Uzbek summit:

"It was the first time that Moscow welcomed the leader of a sovereign republic with a guard of honour and motorcycle outriders, the honour which was previously bestowed only on the leaders of foreign countries.

"However, this does not signify an estrangement but is indicative, rather, of the ongoing drawing of the two countries closer together at a fundamentally new level and of the restoration and strengthening of the age-old ties between Russia and Uzbekistan."

ROSSIYSKIYE VESTI on the Russian-Uzbek accords:

"The accords reached in Moscow open up new opportunities for strengthening the political and economic relations between Russia and Uzbekistan. At the same time they encourage cooperation within the commonwealth of independent states".

PRAVDA on the Uzbek president's visit:

"The first official visit by Uzbekistan's head of state went off successfully. The results of the accords reached by the two presidents will undoubtedly make themselves felt already in the coming days".

KRASNAYA ZVEZDA (RED STAR) carries an interview with Lieutenant- General Aleksandr Lebed, commander of the 14th Russian Army in the Dniester region.

In response to a question about the future of the 14th Army, General Lebed said: "As is known, the leadership of the Republic of Moldova advocates the withdrawal of the army from its territory, but, to my mind, it is now impossible to withdraw the army for a variety of reasons, beginning with the fact that the sanguinary conflict between Moldova and the Dniester region has not been resolved politically and, accordingly, there are no guarantees of peace and stability in the region.

"The possibility of a new flare-up of hostilities has not disappeared. People view the 14th Army as the guarantor of peace and stability, the guarantor which can prevent war and, if it is unleashed, stop the bloodshed. Therefore, the army's withdrawal should be preceded by a rather long, delicate and wise political process which, unfortunately, has not yet begun".

NEZAVISIMAYA GAZETA on the Bosnian peace process:

"The process of settling the conflict in Bosnia-Herzegovina on the principle of a threat of the use of force has reached a deadlock and leads to nowhere: NATO countries just cannot for years threaten with air strikes. Neither can the peoples of Bosnia, Serbia and Croatia to live for years under such a threat...

"It is important these days, as never before, to prevent the conflict in Bosnia from growing into a European tragedy and deprive NATO of the right to determine when bombing and missile strikes in Bosnia should be carried out.

"It is essential urgently to look for new approaches to and ideas of a political settlement both in Bosnia and within a broader context in the Balkans. Such a decision should be taken at the level of, at least, the U.N. Security Council".

TRUD runs an interview with Professor Aleksandr Livshits, dr. of science (economics) and leader of the expert group to the Russian president.

Livshits, one of the main economic advisers to President Boris Yeltsin, said in particular that he sees it as the main task now "to make market reforms less burdensome for society without slowing down the reform process. The main thing is to ensure that the price of market reforms is not too great for society".

PRAVDA frontpages the text of Aleksandr Rutskoy's address to the people of Russia and to the members of the State Duma under the headline "There Can Be No Creative Endeavour Without Civil Peace".

The message says in particular that "in autumn last year all those, who were in the parliament building and manned the barricades, discharged their civil and patriotic duty to the end, upholding nascent parliamentarism, democracy and the constitution... For my part, I will do everything depending on me to perpetuate the lucid memory of those who perished..."

ROSSIYSKIYE VESTI on the amnesty decision:

"The political amnesty story has once again pointed out the major flaw in our present-day democracy—the inadequecy of the judicial branch of power. Will the judicial branch draw level with the other branches of power? Stability and accord in society depend on that in many respect".

NEZAVISIMAYA GAZETA frontpages an interview with Mikhail Slinko, investigator of particularly important cases at the Moscow city prosecutor's office and the leader of a team of investigators probing charges of corruption brought up against Aleksandr Rutskoy in August last year.

Slinko said Rutskoy's signature on the documents, which were submitted to the investigators and which testified against the former vice-president, was forged.

KRASNAYA ZVEZDA comments on a joint statement issued by Patriarch Aleksey II of Moscow and all Russia and Russian Defence Minister Pavel Grachev. In the statement the church and the army expressed readiness to cooperate for the benefit of the motherland.

The St. Petersburg-based newspaper VESTI reports that a monument to Finnish prisoners of war has been unveiled at Gatchina. According to data provided by Russian and Finnish historians, about 1,000 Finns died at Soviet P.O.W. camps during the Second World War.

The monument represents a shell-splinter piercing red granite symbolising the soldier's heart.

Karadzic Views Russia's Peace Role

LD0303152494 Moscow Mayak Radio Network in Russian 1430 GMT 3 Mar 94

[Text] [Unidentified announcer] Radovan Karadzic, president of the Serb Republic in Bosnia-Herzegovina held a news conference at the Russian Foreign Ministry press center today. The news conference concludes his visit to Moscow. Here are some details from our correspondent Aleksey Sokolov:

[Sokolov] The Bosnian Serb leader recalled at the start of the news conference the dramatic events that had been taking place in Bosnia-Herzegovina over the past few weeks. As a result of these events, Russia found itself at the center of efforts to settle the conflict.

The Bosnian Serbs, said Karadzic, did not accept the NATO ultimatum. However, it was with satisfaction that they received a message from Russian President Boris Yeltsin.

Currently, 50 percent of heavy weapons have been withdrawn from Sarajevo. The remainder is under the control of UN forces. Karadzic expressed the hope that this would lead to talks that should result in a peaceful settlement in Bosnia.

Karadzic said he had received the invitation to come to Moscow with joy. He highly praised his meetings and talks with Kozyrev, Churkin, Lukin, Rybkin, and Shumeyko.

The role of Russia in establishing the peace in the Balkans is exceptionally great, said the leader of the Bosnian Serbs again.

[Unidentified announcer] Tell us please, were any interesting figures, or facts to do with the situation referred to during the news conference?

[Sokolov] In my view, the answer is yes. Karadzic said that historically Serbs in Bosnia owned 64 percent of the territory. Now they controlled 72 percent—that is to say only eight percent of the land in their hands belongs to others.

Moreover, Bosnian Serbs are ready to return these territories for the sake of peace. Karadzic spoke of possible concessions and of the need to examine various ways in which territories could be swapped. He agreed that Muslims ought to have a way out from their part of Sarajevo toward their own lands. The disintegration of Yugoslavia was a sad event, said Karadzic. However, since this is the case, it is necessary to establish new borders and strive for an internationally recognized treaty, which would lead to stability in the region.

The Bosnian Serb leader stressed he would like NATO and the United States to see his people in a more objective light. NATO and the United States, he said, occupied an anti-Serb position.

Replying to a question from a correspondent concerning the content of his conversation with Zhirinovskiy during yesterday's Spartak-Barcelona soccer match, the Bosnian Serb leader said: Football. That is all.

Welcomes Summit Offer

LD0303170294 Moscow ITAR-TASS in English 1619 GMT 3 Mar 94

[By ITAR-TASS diplomatic correspondents Boris Krivoshey, Yuriy Malinov and Dmitriy Chubarov]

[Text] Moscow March 3 TASS—"We welcome President Boris Yeltsin's initiative to hold a summit meeting of the leaders of five great powers in Moscow to discuss the settlement in Bosnia-Herzegovina," Bosnian Serb leader Radovan Karadzic said.

Speaking at a news conference in Moscow on Thursday, Karadzic said that such a meeting involving the presidents of Russia, the United States, France, Britain and Germany should be well prepared and put an end to the war in Bosnia not only through reaching an accord between the warring factions but also through signing an international treaty. "When new borders are set, we might need the guarantees of five great powers. We would welcome such international treaty," Karadzic said.

Speaking about the role of the Russian peace-keeping contingent in Bosnia-Herzegovina, Karadzic said "We do not expect that Russian 'blue helmets' will support only the Serbs. It will be enough if they take an objective stand and will be able to defend our people."

He said he wanted the Russian contingent to be bigger. There are fears that NATO countries may overstep the competence of the U.N. mandate and start acting within the framework of the military organisation of the North Atlantic Alliance. Russian soldiers will be always following the tasks set by the U.N. and will never overstep their mandate, Karadzic stressed.

He described the disintegration of Yugoslavia as a tragic event which had been long sought by Germany. Now that this has happened, it is necessary to set new borders and reach a settlement which would lead to durable peace in Bosnia-Herzegovina.

Karadzic said Bosnian Serbs own 64 per cent of the territory of Bosnia-Herzegovina but whey control 72 per cent. He said the Serbs are ready to hand over these eight per cent to the rightful owner. He said they are ready to go even below the point of 64 per cent and swap territories for the sake of peace in Bosnia-Herzegovina.

After the news conference, Karadzic left Moscow.

Meanwhile, Croatian Foreign Minister Mate Granic called on Bosnian Serbs to join the Croatian-Moslem talks on the establishment of Bosnian federation.

The announcement was made after his talks with French Foreign Minister Alain Juppe. Granic said Croatia shares France's position calling for reaching a peace agreement between all three warring sides in Bosnia-Herzegovina. He noted that the Croatian side offers Bosnian Serbs to join the new federation on the same terms as the two other concerned sides, and expressed the hope that the Serbs will take part in the talks on this issue.

He stressed that Zagreb stands for normalising relations with Belgrade. But this can become possible only if Serbs leave the territory they are holding in Croatia as envisaged by the Washington agreements.

Russia To Send Officials To Control Tuzla Airport

LD0303194894 Moscow ITAR-TASS in English 1934 GMT 3 Mar 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[Text] Moscow March 3 TASS—Unless the warring factions are not flatly opposed to Russia's participation in overseeing the delivery of international humanitarian aid to the Tuzla Airport, Russia will take part alongside other states, according to Yuriy Vorobyev, Russian first deputy minister for civil defence and emergencies.

In today's interview with TASS after a meeting with Miles dick, first secretary of the U.S. Embassy in Moscow, Vorobyev said "the Ministry for Emergencies is ready to send its representatives to the Balkans and to get down to work already tomorrow".

A group of Russian representatives is expected to consist of about 50 emergency and customs officials, TASS learned from well- informed sources. However, before humanitarian supplies can be delivered to Tuzla, it is necessary to make necessary arrangements at the airport, including repair of the runway. At the moment, the airport is not ready for accepting planes. With this in view, two ministry officials have left for Belgrade and Zagreb to do firsthand assessment of the situation and to agree with the U.N. mission a date when the proposed operation could be launched, as well as the scope of resources required for it. It is quite possible that a Russian plane loaded with international humanitarian supplies will be one of the first to land at the Tuzla Airport. Some 23 tons of babyfood have been already prepared for shipping to the Balkans.

The U.S. diplomat described the opening of the Tuzla Airport as one of the most pressing tasks, since this is to provide those affected by the armed conflict with humanitarian aid. The embassy secretary highly praised the activities of the Russian Emergencies Ministry's units in former Yugoslavia. "They really know their job", he noted.

At present, two transport units numbering 90 officials of the Russian Ministry for Emergencies are operating in former Yugoslavia, who ensure the delivery of U.N. humanitarian supplies from Belgrade to regions of bosnia-Herzegovina.

Paratroopers Prepared To Go to Bosnia

LD0403140994 Moscow ITAR-TASS in English 1355 GMT 4 Mar 94

[By ITAR-TASS non-staff correspondent Anatoliy Yurkin]

[Text] Moscow March 4 TASS—Russia is ready to send 300 paratroopers to reinforce its peace-keepers in Bosnia. They will be airlifted there as soon as the corresponding decision is adopted by the country's top authorities, a source in the Russian paratroopers' headquarters told ITAR-TASS on Friday.

The source added that Russian paratroopers had been surprised by a statement of French General Jean Cot that only American, British or French servicemen are capable to operate rapidly and professionally in Bosnia.

He reminded that a very high training level had been demostrated by Russian paratroopers during their last month rush from Croatia to Bosnia to guarantee the withdrawal of the Serb big guns. The operation was a success despite limited time and extreme weather conditions.

"It is a pity that the French general failed to notice this though he could watch Russian paratroopers in action with his own eyes", the source said.

Official Denies 'Diplomatic Surprise' in Bosnia

LD0403130194 Moscow ITAR-TASS World Service in Russian 1158 GMT 4 Mar 94

[Text] New York, 4 Mar (ITAR-TASS)—The authoritative U.S. newspaper the NEW YORK TIMES today presented its readers with what it sees as a new diplomatic surprise by Moscow. It alleged that Russia has dropped its objections to the French draft of a UN Security Council resolution on a settlement of the situation around Sarajevo. The newspaper claimed that Russia was threatening to use its right of veto when the draft comes to a vote. But after France sent a high-ranking envoy to Moscow, Russia agreed to support this resolution with minor changes. Voting on the issue is due to take place at the United Nations on Friday.

Moscow, 4 Mar (ITAR-TASS)—"Things are not quite like that," a Russian Foreign Ministry senior official said when asked by ITAR- TASS to comment on the U.S. newspaper report. "First, we have never been against the resolution, as such. We favor a settlement of the situation around Sarajevo and regard it as one of the priority areas in the general process of moving toward peace in Bosnia. When the French were here on Wednesday evening, we managed to agree almost everything with them. However, in the light of yesterday's events in New

York the situation has changed somewhat. So, at the present time, work on the text is continuing."

U.S. Attitude to Russian Actions in Bosnia

LD0303213294 Moscow ITAR-TASS World Service in Russian 1214 GMT 3 Mar 94

[By ITAR-TASS correspondent Yuriy Romantsov]

[Text] New York, 3 Mar—When, the other day, on the heights surrounding the Bosnian capital, the guns at first fell silent and were later moved away—which was achieved with the diplomatic participation of Russia—there was a two-fold reaction in the United States. The U.S. Administration, with restraint but unequivocally, commended this turn of events; but among observers there were those who detected the "machinations of Moscow" and a "Russian-Serbian plot" in what was quite obviously a humane decision.

History also repeats itself as regards lifting the siege of Tuzla airport, Which opens up the possibility of dropping food, medicines, and other aid to the population. According to information received, the first such drop will be made by Russia, but some people in the United States do not like the fact that this knot is also being untied, primarily with the participation of Russia, which is incidentally, acting strictly in keeping with UN resolutions, and is sending its observers to Tuzla as part of the UN's Blue Helmets.

The 'NEW YORK TIMES', for example, writes that Russia "is offering its troops in order to enable the Serbs to save face, confronted as they are with UN demands," and argues about the hand extended to the Serbs by Russia. Once again Moscow is amply criticized for catching the West unawares by devising a formula acceptable to the Bosnian Serbs—as though the search for such a formula, opening up the way to humanitarian aid, were not a task that everyone is tackling.

One can even hear voices claiming that Russia is, for the second time, depriving NATO of an opportunity to launch air strikes against the Bosnian Serbs, in fulfilment of the declared ultimatum, where UN resolutions are not complied with. One has the impression that these resolutions were prompted not by a concern for people, be they Muslims, Croats, or Serbs, not by a desire for peace and the resolution of an extremely complicated Balkan problem, but by a wish to be sure of "punishing" the Serbs.

Both the guns being moved away from Sarajevo and the dawning opportunity to provide humanitarian aid to the population of Tuzla are substantial political steps. By accomplishing priority tasks, they are at the same time laying down approaches to more broadly based tasks—identifying mutual understanding between the sides, establishing cooperation between them, and ultimately settling the chronic Bosnian problem.

In my opinion, the prime rating in terms of importance goes to the fact that these steps have become possible. What specific country is making the effort to see that they are implemented is a secondary matter. If a different view is taken, one may cast doubt on the treaty between the Bosnian Muslims and the Bosnian Croats—even without knowing what it contains—just because it was signed in Washington after active mediation by the United States and by Secretary of State Warren Christopher personally.

In fact, not everyone in the United States welcomed it with open arms. Brent Scowcroft, the former national security adviser to the President, and now the director of the international policy forum, said that the whole value of the treaty lay merely in the fact that it "allows the diplomats to claim a success."

Needless to say, the effectiveness of the document, as with any other, must be judged by the results it produces. But the actual signing ceremony is a starting point and hence an important step. So, Secretary of State Warren Christopher made a fitting comment when he said: "This treaty shows how much can be achieved, even after bitter years of violence, when two sides sit down together at the negotiating table.... It shows that peace is possible."

Yes, it is possible if one thinks about peace rather than about "punishing" the Serbs.

U.S.-Russian 'Duet' Not Appropriate in Bosnia

PM0403095394 Moscow KRASNAYA ZVEZDA in Russian 4 Mar 94 p 3

[Mikhail Pogorelyy article: "U.S.-Russian Duet or International Choir?"]

[Text] Commenting on the efforts by the world's two leading powers to settle the Bosnian crisis, the U.S. newspaper THE PHILADELPHIA INQUIRER talked of a "duet" between the United States and Russia. It is obvious, however, that our countries can act, rather, as catalysts of the peacemaking process, whose success is unlikely without cooperation with all the other interested states. It is no coincidence that President Boris Yeltsin has proposed holding a meeting of major heads of state devoted to the prospects for resolving the conflict in Bosnia. At the same time, as the Russian Ministry of Foreign Affairs has explained, the composition of the summit need not be limited to the five countries named by the president.

Nor should it be forgotten that an extremely great deal depends on the good will of those actually involved in the civil war and on sincere moves by them to end the bloodshed. The stand taken by the official leadership of Bosnia-Herzegovina [B-H] in recent days is reassuring in this sphere. B-H Prime Minister Silajdzic declared in Washington, after signing the agreement setting up a Croatian-Muslim federation, that he intends to come to Russia in the very near future. In Moscow he intends to discuss the prospects for implementing the new plans for

the B-H state structure and options for cooperation with the republic's Serb population in this process. Without Russia, the premier admitted, a Bosnian settlement is impossible.

But his viewpoint is certainly not shared by everyone. Some leaders of that same Bosnia, and also outside the former Yugoslavia (in Turkey, for example), are cautious about Russia's participation in lifting the blockade of Tuzla Airport. They perceive this almost as a buildup of our country's military presence in the Balkans. Although such accusations and fears are totally groundless. As Vitaliy Churkin, Russian Federation deputy minister of foreign affairs and the Russian president's special representative, explained, the Russian Federation Ministry of Defense has not even been entrusted with the practical fulfillment of the provisions of the agreement on opening Tuzla Airport. Representatives of the Ministry for Emergencies and civilian specialists are being sent to Bosnia. According to Vitaliy Churkin, Russia endeavors not to react to sundry accusations, realizing that many statements are made in an extreme situation and in a state of psychological shock caused by war and combat operations.

As for the plans to create a Croatian-Muslim federation and the prospects for subsequently forming a confederation with Croatia, the Russian Foreign Ministry views them with cautious optimism. This optimism is founded on the assessment that this agreement, being included in the overall picture of a Yugoslav settlement, can produce positive results. But it is cautious because there have already been quite a few splendid plans which have never reached the stage of implementation (take the Vance-Owen plan). The point is that a federation, as reported previously, provides for unified control over foreign policy, joint leadership of the economy, and also the formation of joint armed forces. Troops which are still fighting each other today will have to unite. (Incidentally, the "unidentified" aircraft which bombed the Muslims and were downed by U.S. aircraft had actually taken off from Croatian territory, so Croatian Foreign Minister Granic has admitted). In addition, territorial demarcation is a stumbling block in the present plans, just as in the previous ones. Carrying it out essentially means feeding both the wolves and the sheep. But who or what will be the "dinner"? For it is obvious that we cannot manage here without casualties or, at any rate, compromises....

Not only Russia and the United States have their interests in the region but also Germany, France, Turkey, Iran, and Saudi Arabia. Each country has its own historical and political allies, whom they support and whose interests they are prepared to champion persistently. So a successful outcome to the Bosnian crisis can come about only in the event of harmony throughout the international "choir" and not just as a solo part for the U.S.-Russian "duet."

Kozyrev Praises Latest U.S. Stance on Baltic Russians

LD0303174694 Moscow ITAR-TASS World Service in Russian 1654 GMT 3 Mar 94

[By ITAR-TASS diplomatic correspondent Georgiy Shmelev]

[Text] Moscow, 3 Mar—U.S. Secretary of State Warren Christopher expressed understanding of our concern for the plight of 25 million Russians who find themselves stranded outside Russia's borders, and we highly appreciate this position, Andrey Kozyrev said. Answering a question from an ITAR-TASS correspondent today, the Russian foreign minister noted that in his recent statement, Christopher spoke of the need to use legal ways of encouraging the Latvians to expand citizenship and grant voting rights to Russians living in Latvia. In the minister's view, this pronouncement sits well with President Bill Clinton's intention of speaking up for minorities in the Baltic countries, a subject which was also discussed at the Moscow summit.

Andrey Kozyrev stressed that magnanimity on the part of the Baltic authorities could hardly be counted on in this respect, any more than threats of force on the part of Russia, something which was in vogue until recently. "We are dealing with a humanitarian problem—protection of human rights and ethnic minorities, and it needs to be treated as such," Kozyrev said. In conclusion, the minister noted with satisfaction that "our friends in the West are gradually getting used to this idea, and losing their traditional bias towards individual regions".

Communications Minister on U.S. Trip

LD0203234794 Moscow ITAR-TASS World Service in Russian 1811 GMT 2 Mar 94

[By ITAR-TASS correspondent Igor Borisenko]

[Text] Washington, 2 March—A Russian delegation that is in the United States at the invitation of the State Department has, along with the American side, signed a memorandum on understanding aimed at regulating cooperation in the area of organizing electronic and postal communications.

"We are implementing contacts with the United States on matters relating to the supply of modern equipment to Russia," Russian Communications Minister Vladimir Bulgak, who is in the United States, said in an interview with an ITAR-TASS correspondent. "The situation is complicated by the continuing existence of eight Cocom [Coordinating Committee for Multilateral Export Controls] restrictions on deliveries of this kind of equipment." A paradoxical situation is emerging: although Cocom is due to formally go out of existence on 31 March of this year, the restrictions on trade in modern technology that it has introduced will remain in force.

"Once again we would like to recall that discrimination in trade has," V. Bulgak said, "a negative affect on our relations."

On the whole, the minister said, cooperation in the area of communications between the two countries is constantly expanding. The number of telephone channels through which our countries can communicate has grown from 80 to 670. As early as 1995 there will be 1,500 of them and in two years' time there will be 3,000.

As regards the development of a communications system in Russia, the main aim, in the words of the minister, is to attract foreign capital. American capital investments in this province have amounted to $40 million over two years, while, last year alone, the total amount of Western investment in Russia's communications system reached $250 million. The question of what was hindering the growth of American investments was discussed at a meeting with U.S. Secretary of Commerce Ronald Brown. "The main barriers on the road to a growth in investments are psychological ones," the Russian minister said. "And Cocom still has influence, too."

If we take a look at the very near future, V. Bulgak continued, then once the appropriate digital communications networks are set up, Russians will have access to the "information superhighway"—a high-speed international computer communications system. "Here we need to solve the so-called '50 by 50 problem,'" V. Bulgak said. "We're talking about setting up 50 new telephone stations and the laying of 50 thousand km of new networks. The project is estimated to take 10 years and it will cost $40 billion to carry it out."

Legal Aspects of Ames Case Examined

PM0403113594 Moscow KOMSOMOLSKAYA PRAVDA in Russian 2 Mar 94 p 6

[Observer Aleksandr Vasilyev article: "Was CIA Spy a KGB Officer? Maybe Aldrich Ames Did Work for Moscow, but this Has Yet To Be Proved. During His Trial He Could Make Use of Rudolf Abel's Experience"]

[Text] A spy-mania campaign is being launched in the United States . This is what a commentator of the old Soviet school would have written but, although times have now changed, nothing has changed in essence. The arrest of CIA officer Aldrich Ames and his wife on suspicion of having contacts with the Russian Foreign Intelligence Service [FIS] is a great coup for the FBI. Some of its officers have probably already made holes in their jackets for their medals.

Until the trial begins, the U.S. Administration is completely controlling coverage of the case of Ames and his wife, releasing information in carefully measured doses and spreading rumors. In this way it is trying to form public opinion in the United States and other countries, specifically Russia. It is too early yet to guess whether it will be possible to influence the court's decision through the spy-mania campaign but, as regards the Americans, the propaganda machine has already backfired. Numerous television and radio talk-in programs are receiving calls from bewildered viewers and listeners who ask: Why has the White House gone into hysterics if the United States is itself engaging in espionage in Russia? As regards our country, Russians and most of the press have adopted a patriotic stance. As far as I can judge the degree of support has pleasantly surprised the FIS.

Because of this whole fuss and game of big politics the fate of the arrestees themselves has receded into the background. Everything concerning them seems to be clear. In actual fact nothing is clear. The upcoming trial promises to be long and difficult—difficult for both the prosecution and the defense. Because Ames has not admitted his guilt and has refused to cooperate with the authorities, and the U.S. legal system and good attorneys can turn any ostensibly clear-cut case into a whodunit with an unpredictable ending. This can be seen by reading material from the trial of Soviet intelligence officer and illegal Rudolf Abel, who was arrested in New York in 1957. Colonel Abel was facing life imprisonment or the death penalty but received 30 years, and having served four years was exchanged for U.S. spy pilot Francis Powers, who was shot down in the Sverdlovsk area.

The intelligence game is full of contradictions. Professional intelligence officers are even respected by their opponents. In 1957 CIA Director Allen Dulles said: "I would like us to have three or four men like Abel in Moscow." But the agents an intelligence officer recruits or who are handed over to him to handle are his main tool. Agents betray their own country and as a rule ordinary people have contempt for them. Radio officer Kheykhanen, who gave Abel away to the FBI and who was also a Soviet intelligence officer, did not arouse the Americans' sympathy, although, objectively speaking, he protected U.S. national security. Kim Philby was a hero to the Soviet Union but remains a traitor to Britain. Ames is no Abel or Philby. He was possibly an agent (unlike Abel) who maybe worked for money (unlike Philby). Nevertheless it is in Russia's interests for the trial to end in his favor or, if he is found guilty and imprisoned, it is a matter of honor to us to support Ames and try to get him out of his prison cell. Because all current and potential Russian intelligence agents will follow the trial very closely. They will decide whether "to work or not to work for Russia" depending on the Kremlin's behavior in this situation. It should be counted as one of the U.S. intelligence services' greatest achievements that some years ago the White House succeeded in obtaining an amnesty for KGB officer Boris Yuzhin, who had cooperated with the CIA. How they contrived to do this is still a mystery.

Let us return to Ames. Obviously the defense will devote priority attention to prosecution evidence and how it was obtained. Ames was not caught in the act of handing over secret documents to Russian officers. At the FBI's instigation the U.S. press has written that he chalked

crosses to give signals to the Russians and used dead drops. This is hard to believe (see KOMSOMOLSKAYA PRAVDA of 25 February 1994 for our arguments) but let us suppose. What will his attorneys say? A possible line of defense is as follows: Ames recently worked in the CIA department which combats drug dealers. He could say that the crosses and dead drops were for his agents, members of the drugs mafia. Incidentally, his meetings with Russian intelligence officers could be explained in the same way.

In this sense Abel's position was more difficult. According to attorney James Donovan's memoirs "a shortwave radio receiver with a schedule for receiving broadcasts, bolts, cuff links, tie clips, and other hollowed-out objects serving as 'containers,' a code pad, encoded texts, a device for making microdots, and geographical maps of the United States with main defense areas marked on them" were found in his apartment, but the representatives of authority did not have an arrest and search warrant. They contravened the Fourth Amendment to the U.S. Constitution, the essence of which is "my home is my castle." Donovan tried to prove that all these ciphers, bolts, and tie clips could not be used to prove Abel's guilt, since they had been obtained illegally. When Donovan's appeal was heard by the U.S. Supreme Court, it was rejected by a margin of only one (!) vote.

The next question is: Who is a witness? The chief witness could be the Russian intelligence officer who gave Ames away. But the point is that by no means every [illegible] knows Ames. Information about such a high-level [illegible] is concealed even from one's own people. The most experienced and the highest-ranking intelligence officers work with such people. As far as I know, lately there have been no defectors among the aces working throughout the United States. There is another possible scenario: **The person who gave Ames away is still working in Russian intelligence.** But this means that he will not be able to appear as a witness and that he does not have long left as a free man: He will be fingered all the same. Incidentally, in the opinion of professionals the Americans are very careless about looking after their agent network, often jeopardizing it for the sake of immediate political advantages.

I have formed the impression that we are dealing with the second scenario. The FBI is stressing just a little too importunately that Ames was not living within his means and that he bought, for example, a nice house in the Washington suburbs, paying the whole sum in cash. U.S. officials want to make everyone believe that Ames was given away by envious neighbors and to divert attention away from the real source of information.

According to information available to me, Ames' wife, who worked with him both in the CIA and for Russian intelligence, is cooperating with the investigation. If this is true, attorneys will try to discredit her as a witness and prove that she hates her husband or is jealous of him, that she wants to get her revenge on him, and that her evidence is not credible. The trial will get bogged down in an investigation into family mutual relations.

It is interesting how Donovan tried to make the jury disbelieve Kheykhanen's evidence: He was engaged in espionage for Soviet Russia, arrived in the United States on a false documents, and "is in effect a professional liar." The same accusations were made against Abel but it did not matter: What mattered was the identity of the witness. The attorney had something else to add, stating that Kheykhanen was an alcoholic and bigamist.

It will now be all the more interesting to follow the development of events. "The start of the trial is like a show. The curtain goes up and, in ideal conditions, the drama begins to unfold, a drama which the judge and jury are seeing for the first time. The tale is repeated several times, corroborated, confirmed, and refuted. The essence of the case is elicited in detail, point by point. First this is done by one side, then by the other. Every witness appearing on the stage is a new actor"—this is what was written about Abel's trial by J. Donovan, his attorney.

In Ames' case the drama could turn into a comedy if his guilt is not proved successfully. After all, U.S. President Bill Clinton himself intervened in the case. What genuine indignation was written all over his face when he was talking about the perfidious and ungrateful Russians! However, let us not forget that sometimes the current U.S. Administration is notable for its unprofessionalism.

Foreign Ministry Statement on Mideast Situation

LD0203132694 Moscow Radio Rossii Network in Russian 1100 GMT 2 Mar 94

[Text] Russia's military and, most importantly, political and peacekeeping presence both in the CIS countries and on the territory of the former Yugoslavia in itself is not being assessed unequivocally. The statement on the situation in the Near East, which was distributed today by Russia's Foreign Ministry, will probably also arouse various emotions. The tense situation on the occupied Palestinian territories connected with the crime in Hebron is prompting Russia to take active steps towards a peaceful process. Mikhail Timurin, a staff member of the Press and Information Department of the Russian Foreign Ministry, read us the text of the statement over the telephone:

[Timurin] A tense situation persists on the occupied Palestinian territories. The Foreign Minister of the Russian Federation is keeping in constant touch with the Palestinian and Israeli leadership.

On the personal instruction of the president of the Russian Federation, First Deputy Foreign Minister Ivanov has been sent to the Near East to meet with Chairman 'Arafat of the Palestinian Liberation Organization and also with the leaders of Israel. Russia believes it necessary for the UN Security Council to adopt an

effective resolution with a view to ensuring security on the occupied territories. The idea of international protection for the civilian population on the occupied territories deserves most serious attention.

The stalling—for the umpteenth time now—of the Near East talks shows that a new international impetus is needed for the cause of the reconciliation between Arabs and Israelis to proceed further. A second plenary meeting of the Madrid conference on the Near East at the level of foreign ministers could be this impetus.

Moscow Urges UN Resolution for Israeli-Held Lands

LD0303150494 Moscow ITAR-TASS in English 1436 GMT 3 Mar 94

[By ITAR-TASS diplomatic correspondents Boris Krivoshey, Nikolay Manvelov and Dmitriy Chubarov]

[Text] Moscow March 3 TASS—Russia considers it necessary for the U.N. Security Council to adopt an effective resolution in order to ensure security on the Israeli-held territories, Russian Foreign Ministry spokesman Mikhail Demurin said.

Speaking at a news briefing in Moscow on Thursday, Demurin said that the world community should pay attention to the idea of international protection of civilians in the West Bank and Gaza Strip. The alarming situation following the barbaric crime committed by an Israeli extremist in Hebron forces Russia to take further active steps in order to help overcome the current crisis in the endangered peace process.

The lack of progress in the Middle East talks shows that there is the need to give the process of reconciliation between the Arabs and Israelis a new international impetus, Demurin said. "The second plenary session of the Madrid conference on the Middle East at the foreign minister level could become such an impulse. As for the immediate future, Russia stands for the continuation of bilateral talks which could be held where it is convenient for their participants," the spokesman said.

Ivanov on Diplomatic Mission to Israel, Mideast

LD0303165494 Moscow ITAR-TASS in English 1535 GMT 3 Mar 94

[By ITAR-TASS correspondent Aleksandr Zhudro]

[Text] Tel Aviv March 3 TASS—Russian Deputy Foreign Minister Igor Ivanov, who is presently staying in Israel on a Mid-East diplomatic mission, said today in a press release: "Our visit to Israel, the same as the entire current Mideast mission, is carried out by Russian President Boris Yeltsin's order. A decision to send a special envoy to the region was passed by the president with due reagrd for the sharply aggravated situation on the Jordan West Bank and in the Gaza Strip, as well as for the threat of peace process disruption. Being a great power and co-sponsor of Arab-Israeli talks, Russia is fully aware of its special responsibility for their further progress. In this connection, our main task is to do our utmost to prevent peace process from being disrupted, to promote the creation of such an atmosphere, such conditions that would prevent any further escalation of violence."

The contacts established by us in Tunisia, with Chairman of the Palestine Liberation Organization's Executive Committee Yasir 'Arafat, and in Tel Aviv, with Israeli leaders Yitzhaq Rabin and Shim'on Peres, revealed what we consider the main tendency, the deputy foreign minister went on to say. The essence of this tendency is that both sides understand quite well there is no alternative to peace process. Only through a dialogue, constructive and restrained, we will manage to address the sensitive issues now facing Palestinians and Israelis, Ivanov stressed.

During detailed conversations with the Israeli prime minister and foreign minister, and taking into account our meetings with the PLO leader, we tried to find such a solution to the Hebron crisis that would enable the confronting sides to return to the negotiating table. In the context of these conversations, Ivanov said, we also considered the problem of international presence on the occupied territories, which is designed to become an additional guarantee of safety and stability.

The Russian diplomat emphasised that "both Palestinian and Israeli leaders highly praised the initiative moves by the Russian co-sponsor taken under President Yeltsin's decision and aiming to preserve and bolster peace process, pointed to their timeliness and spoke in favour of closer contacts in the future."

Government To Begin Withdrawing Missiles From Ukraine

LD0203201494 Moscow INTERFAX in English 1920 GMT 2 Mar 94

[Text] A high-ranking Russian military official told Interfax on Wednesday that Russia was to begin the withdrawal of strategic missiles from Ukraine at the beginning of March. He also said that the first lot consisted of 60 warheads removed from the strategic missiles of the 46th missile division and 43rd missile army. There are about 2,000 nuclear warheads in Ukraine.

He expressed satisfaction that Moscow and Kiev had found a political solution of this problem. He also said that delays in the withdrawal of the strategic nuclear weapons were due to the unpreparedness of corresponding documents. He believes that after the necessary papers are prepared by the Ukrainian customs and other agencies, there would be no further delays.

Ministry Denies Ukraine Transferring Nuclear Weapons

LD0303142694 Moscow ITAR-TASS in English 1113 GMT 3 Mar 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow March 3 TASS—A senior official of the Russian Defence Ministry denied press reports that dozens of nuclear charges from Ukraine had arrived for dismantling to an enterprise in the Urals in Russia.

The report "does not correspond to reality and is wishful thinking of reporters," General Vitaliy Yakovlev told TASS on Thursday commenting on a Wednesday report of the "SEGONYA" daily.

"No train with nuclear charges has departed from the neighbouring country to Russia so far," he added, but expressed hope that Ukraine's nuclear disarmament will begin soon.

Ukraine pledged to give up its nuclear weapons under an agreement signed with Russia and the United States in Moscow in January.

According to Yakovlev, there are nearly 2,000 nuclear charges in Ukraine at present. Their safety level causes great concern of experts and delays in their transportation to Russia can result in unpredictable consequences, he warned.

Russia guarantees to Ukraine safety of all work during transportation and scrapping of the nuclear weapons, according to the general.

Ukraine Promises To Pay Part of Gas Debt Before Deadline

LD0303125394 Moscow ITAR-TASS in English 1222 GMT 3 Mar 94

[By ITAR-TASS correspondent Igor Ivantsov]

[Text] Moscow March 3 TASS—Ukraine promised to pay a part of its debt for the Russian fuel before the deadline set by Gazprom, the major Russian gas supplier, expires.

Rem Vikharev, head of Gazprom, told ITAR-TASS on Thursday that he had got a message from Ukraine saying 20 million U.S. dollars would be transferred before March 5.

"This sum does not represent a complete solution," he said, adding that Ukraine should conduct a better search for other means to pay.

At 10.00 a.m. today, Russia started cutting gas supplies to Ukraine by 50 million cubic metres a day, and threatened a complete cut-off in three days unless Kiev pays its debts for previous deliveries.

In the meantime, an official at Ukraine's Embassy in Moscow said the effect of Russia decision to cut gas supplies to Ukraine should not be over-dramatized.

Ranking diplomat Vladimir Fedorov told ITAR-TASS on Thursday that for the past twelve months, Ukraine has accumulated "great experience in settling payments-for-gas disputes."

"Similar situations occured in the past. But Ukraine has never been completely deprived of Russian gas," he noted.

According to Fedorov Ukraine is searching for ways to pay its 300 billion rouble debt, an estimate which contradicts with the Russian Gazprom company's assessments. According to them, Ukraine owes Russia not less than 1.5 trillion roubles.

Fedorov put forward a simple version explaining the current delay of payments. It has been caused by the failure of a deal, according to which the Ukrainian debt had to be paid with 14 fishing boats. Now Kiev is considering other options, including swapping consumer goods for the debt, he said.

The Ukrainian diplomat stressed that the problem has nothing to do with state politics. It is a purely economic question, to be setttled by Russian gas producers and Ukrainian consumers, he said.

Fuel Minister Says Measures Against Ukraine Not Personal

LD0403114194 Moscow ITAR-TASS in English 1023 GMT 4 Mar 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow March 4 TASS—Ukraine will not go to the lengths of cutting off the transit gas trunkline and using Russian gas for the needs of its own consumers, Yuriy Shafranik, Russian minister of fuel and power, told ITAR-TASS in the Kremlin on Friday [4 March].

"To Ukraine's honour, it has no mounting debts concerning payments for oil since September 1, last year. Only pre-September debts remain to be settled," Shafranik said, pointing out that a joint scheme is being worked out to enable Ukraine to repay debts on time.

Touching upon Ukraine's default of payment for gas, the Russian minister said "we have to take measures with regard to Ukraine just as to any other user. It is a question of responsibility between the user and supplier, not an exacerbation of inter-state relations."

Uzbek President Meets With Chernomyrdin

LD0203155894 Moscow ITAR-TASS in English 1424 GMT 2 Mar 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow March 2 TASS— Russian Prime Minister Viktor Chernomyrdin is meeting Uzbek President Islam Karimov in Moscow to discuss economic cooperation between Russia and Uzbekistan.

After their one-to-one meeting, the talks will continue on an extended basis. They will be also attended by Uzbek Prime Minister Abdulkhasim Mutalov.

The sides are expected to sign a package of bilateral agreements, including an agreement on the principles of logistics support for the armed forces, on air transportation cooperation and an agreement to avoid double taxation.

Russia and Uzbekistan also plan to sign a consular convention, a program of cooperation between the foreign ministries in 1994, an agreement on cooperation between Russian and Uzbek customs offices and mutual assistance in preventing the smuggling of cultural values and on customs inspection of personal baggage.

Documents Signed

LD0203181094 Moscow ITAR-TASS in English 1713 GMT 2 Mar 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow, March 2 (TASS)—Russian Prime Minister Viktor Chernomyrdin and visiting Uzbek President Islam Karimov met here on Wednesday for intergovernmental talks. The talks ended in signing an ample package of Russo-Uzbek documents.

The documents include intergovernmental agreements on principles of mutual technical and material supply of armed forces, on cooperation in air transport, on avoiding double taxation.

Russian and Uzbek plenipotentiary envoys signed a consular convention, a programme for cooperation between the foreign ministries for 1994, agreements on cooperation and mutual assistance in customs affairs, on cooperation between customs offices in seizing and returning illegally exported and imported cultural treasures, as well as in customs inspection of citizens' personal belongings.

When asked questions from journalists after the signing ceremony, Chernomyrdin said today's talks had helped resolve many problems hampering the development of Russo-Uzbek relations. "I am very happy about the talks outcome", he stressed.

In his turn, the Uzbek president noted that "the documents signed pave the way for normalizing economic ties abd relations between the two peoples".

Uzbek President Ends Visit

LD0303091194 Moscow ITAR-TASS World Service in Russian 0834 GMT 3 Mar 94

[By ITAR-TASS correspondent Anna Melnikova]

[Text] Moscow, 3 Mar—Islam Karimov, the president of Uzbekistan, has completed his two-day official visit to Russia. This morning Boris Yeltsin, the Russian president, took leave of Uzbekistan President Islam Karimov at St George's Hall of the Grand Kremlin palace.

Both countries' state delegations attended the ceremony.

Praises Results of Trip

LD0303114694 Moscow ITAR-TASS in English 1051 GMT 3 Mar 94

[By ITAR-TASS correspondents Yuriy Sizov, Vladimir Taranov]

[Text] Moscow March 3 TASS—"Political, civil and national stability is the ground on which Uzbekistan is building its future," Uzbek President Islam Karimov said today at a meeting with representatives of the Russian political and business circles, held at the Uzbek embassy in Moscow.

He stressed the importance of the documents, signed during his visit to Russia, and made special mention of President Yeltsin's address to the State Duma. For the first time ever "CIS member states were given an answer concerning the priorities of Russia's domestic and foreign policy. Russia is a great power. We believe in Russia, in its great future. Our belief is based on the historic roots, without which our today's friendship and cooperation would be impossible," the Uzbek president said.

"Russia should be a guarantor of peace and stability in Central Asia. There will always be two poles in the world, and we in Uzbekistan are keeping closer to Russia's pole," he stressed.

Kozyrev Signs Agreement With Uzbek Counterpart

LD0203215494 Moscow ITAR-TASS World Service in Russian 1555 GMT 2 Mar 94

[By ITAR-TASS diplomatic correspondent Vladimir Taranov]

[Text] Moscow, 2 March—A program of cooperation between the Russian and Uzbek Foreign Ministries for 1994 envisages that bilateral consultations at the level of deputy foreign ministers, working meetings, and consultations on specific subjects will be held in Moscow and Tashkent. On the basis of this document and in accordance with the mutual agreement there will be an exchange of information between the foreign ministries of the two countries.

The program was signed today by the leaders of the Foreign Ministries, Andrey Kozyrev and Saidmukhtar Saidkasymov.

Russian, Uzbek Entrepreneurs Sign Treaty

PM0303135394 Moscow ROSSIYSKAYA GAZETA in Russian 2 Mar 94 First Edition p 3

[Unattributed report: "Agreement To Cooperate"]

[Text] A bilateral meeting of representatives of the Russian and Uzbek corps of directors culminated in the signing of a treaty on comprehensive cooperation between the Uzbek Union of Entrepreneurs and the Russian Union of Industrialists and Entrepreneurs [RUIE].

RUIE President Arkadiy Volskiy:

"This document opens up extensive prospects for mutually beneficial cooperation. The economic crisis which none of the former Union's republics has succeeded in avoiding was largely due to the disruption and severing of traditional economic ties. Therefore establishing these ties will enable industrial enterprises to autonomously resolve any arising problems without politicians interfering. All this should undoubtedly help stabilize the situation and extricate real manufacturers from the protracted crisis most speedily."

Kh. Gulyamov, head of the Association of Machine Building Enterprises of Uzbekistan:

"We have fully felt the breakdown of traditional ties. Therefore there is only one correct route today—to actively cooperate with associated plants and create joint enterprises oriented to the production of finished output.

"We are now actively engaged in this. Several dozen joint enterprises have already been set up, or are in the making, with enterprises in Russia, Kazakhstan, and Ukraine. The current meeting has enabled us to formulate a mechanism for cooperation.

"We have defined certain priority areas for ourselves and Russian industrialists. These include developing and setting up an agricultural equipment complex in Ukraine, in particular mini sugar refineries."

Cease-Fire Agreement in Karabakh Reached

LD0203164494 Moscow ITAR-TASS World Service in Russian 1605 GMT 2 Mar 94

[By ITAR-TASS correspondent Sergey Ostanin]

[Text] Moscow, 2 Mar—An agreement on cease-fire in the zone of the Karabakh conflict has been reached. It was mainly maintained since midnight on 1 March. An ITAR-TASS correspondent learned about this today from Georgiy Kondratyev, the deputy defense minister of Russia, who has returned from Baku, the capital of Azerbaijan. He believes that this agreement is the main result of his working visit to Yerevan, the capital of Armenia, and Baku as a head of the Russian Defense Ministry commission on the settlement of the Karabakh conflict, as well as his meetings with the heads of the states and the defense ministers of Armenia and Azerbaijan.

Kazimirov on Withdrawal

LD0303192394 Moscow INTERFAX in English 1510 GMT 3 Mar 94

[From the "Diplomatic Panorama" feature]

[Text] Any agreement on ceasing fire "may remain only on paper", as long as the armed units of the warring sides in Karabakh are not disengaged. This statement was made in an interview with Interfax on Thursday [3 March] by the special envoy of the Russian president, Vladimir Kazimirov, who leads Russia's mediatory mission for a settlement in Karabakh. On Wednesday he returned from a trip to Yerevan and Baku.

According to him, his trip was designed to implement a protocol signed by the defence ministers of the conflicting sides in Moscow on February 18th. The protocol provided for ceasing fire, halting military actions and disengaging the warring sides for some distance with a view to "consolidating an end to the bloodshed". "The principal task was to secure a ceasefire at midnight on March 1st. That task was accomplished," Kazimirov said.

According to him, the only guarantee for the ceasefire can be to disengage the two sides' armed units for a distance insurmountable by artillery fire. "This means that each side must retreat and withdraw its heavy weapons about 10 or 15 kilometers away from the front line. So far this condition has not been met, and separate violations of the truce continue," Kazimirov said.

When the two sides withdraw their forces, 30 mobile groups of observers comprising Russian servicemen stationed in the area will be deployed in "the disengagement strip". Representatives of the warring sides will be included in these groups. "This is the only way to determine objectively which side is responsible for one violation or another, and raise the issue of calling to account the direct violators, and possibly their military commanders," Kazimirov pointed out.

Russia's latest actions in the area were "well coordinated" with the efforts of the CSCE Minsk Group, he said. In the course of his trip he conferred with the chairman of the Minsk Group, Ian Elliason, and stressed "Russia's willingness to cooperate".

However, the diplomat said, "Russian groups of observers will act as pioneers after all." "We are prepared to keep Russian groups locally for two days after the disengagement of the warring sides. Unfortunately, the CSCE has no such opportunity," Kazimirov said.

Moscow Protocol Viewed

MK0303114094 Moscow NEZAVISIMAYA GAZETA in Russian 3 Mar 94 p 1

[Liana Minasyan report under the "Conflict" rubric: "No Truce in Karabakh Although Protocol on it Is Signed"]

[Excerpts] A protocol signed in Moscow by representatives of the military agencies of Russia, Azerbaijan, Armenia, and Nagorno- Karabakh calls for the creation of a united staff of representatives of the four sides, and the deployment of mixed-personnel posts in the security zone along the line of confrontation. Colonel General Georgiy Kondratyev, Russian deputy defense minister, stated in this regard that the staff should be composed of some 250 people with 69 servicemen to be contributed from Russia's armed forces. After the cease-fire as of 1 March and the start of the withdrawal of troops and heavy equipment, the Russian part of the united staff will be immediately moved to the conflict area. The move envisions the creation of three small zonal staffs so as to enable full control over the entire area of military operations. In Georgiy Kondratyev's view, the implementation of the Moscow protocol will make it possible to pave the way for talks on a political settlement. [passage omitted]

At any rate, the military situation that has taken shape allows for a somewhat greater optimism in hoping for reconciliation. During February, Karabakh's armed forces closed the gaps in their defense lines formed in the course of the New Year Azeri offensive. Azeri formations, too, are with time coming to resemble an army more and more, which unavoidably happens as combat experience builds up. This equilibrium signals the fact that there will be no territorial gains by military means. But Aliyev has been left a chance to receive "from the hands" of peacekeepers Azeri territories occupied by Karabakh's army, waiving the principle of Russian military nonpresence in the republic. This question will perhaps be postponed until the summit since it would signify a radical change in Azerbaijan's policy.

Objections to Walesa's Remarks on Troops in Kaliningrad

LD0303140694 Moscow ITAR-TASS World Service in Russian 1320 GMT 3 Mar 94

[By ITAR-TASS dipolomatic correspondents Boris Krivoshey, Nikolay Manvelov, and Dmitriy Chubarov]

[Text] Moscow, 3 Mar—Russia is entitled to station as many troops in Kaliningrad Oblast as it needs to maintain security and stability, and, it goes without saying, as allowed by international commitments. This was stated by Mikhail Demurin, deputy director of the Information and Press Department of the Russian Foreign Ministry, at a briefing he gave today.

During his visit to Latvia on 23 and 24 February this year, the Russian Foreign Ministry spokesman said, President Lech Walesa of Poland expressed concern at the allegedly excessive concentration of Russian troops in Kaliningrad Oblast. He also called for the removal of this tumor, which, in his view, posed a potential threat to security in the region. Such statements do not contribute to stability in the Baltic region and are clearly not in keeping with the spirit of recent Russian-Polish accords, including ones reached at summit level, Demurin stressed.

Commentary on 'Partnership for Peace'

PM0303103594 Moscow ROSSIYSKIYE VESTI in Russian 1 Mar 94 p 3

[Valentin Ovsyannikov "Commentary": "Is Alliance With NATO Affordable?"]

[Text] The strategic "Partnership for Peace" program approved at the January NATO summit is taking on real outline. A number of countries have not taken time out for lengthy contemplation of the proposed plan but have hastened to take the opportunity. The number of signatories to the framework document of the "Partnership" is already approaching 10, including Romania, Lithuania, Poland, Hungary, Estonia, Slovakia, and Latvia. The first from the CIS is Ukraine.

In their statements at the signing ceremony officials from a number of the aforementioned states intimated that they have not renounced their long cherished idea of full NATO membership, and so the signing of the program is seen as the first step toward achieving the coveted aim, which will certainly facilitate integration into Western Europe. For instance, Hungary sees itself in the first group, and the Czech Republic and Poland also aspire to this. Romania is concerned at the prospect of ending up in the group of "laggards."

In this connection it is timely to recall that the alliance's partners should not expect dividends alone, as their participation entails commitments, including financial ones. Material outlay will vary according to the specific content of bilateral agreements (joint military exercises, the standardization of armaments, the implemenation of scientific research, and so on). The state coffers will have to earmark around $50 billion for the relevant measures announced by Poland in this sphere in 1994, for instance. Obviously, such sums are beyond the reach of countries in the East which are not experiencing the best of times. This, in turn, will determine the pace at which they become involved in the activity of the Western bloc.

But what kind of peace does the program promise our country? The Brussels concept is aimed at developing the partnership relations and practical cooperation with all European CSCE member states, including in the East of the continent. We welcome this approach, and we are prepared to become a responsible and keen partner of NATO. Our stance is that the transformation of the European security system should be approached in a

balanced and gradual manner. It is also necessary to ensure the openness of regional organizations and institutions and to guarantee an equal level of security for all European countries without any "differentiation." It is a matter of forming a really pan-European security system, of joint, collective resistance to any new threats to stability on the continent, and of the worldwide strengthening of the potential of the CSCE, under whose auspices other European structures would also function—namely, the EU, NATO, NACC [North Atlantic Cooperation Council], WEU [Western European Union], and CIS.

Russia's stance is evaluated positively by Western official circles, which believe that security in Europe is impossible without or in defiance of Russia. Developing it, the advocates of constructive cooperation with Moscow urge that every effort be made to attain a strategic partnership with Russia. Nothing must be done, they warn, to damage its political stability or reinforce the "besieged fortress syndrome" which continues to exist in influential military circles.

Unfortunately, the Cold War left deep scars on the minds and mentality of Western politicians. How else can the following comment be explained. For instance, NATO Secretary General M. Woerner said in the lobbies at the Brussels summit that in order to establish an "honest partnership" with the alliance Moscow must continue democratic reforms and renounce the idea of expansionism. The "resolute" warnings of Belgian Foreign Minister W. Claes are even more perplexing. If Moscow continues in the same vein and alarm signals continue to come in, he declared, then NATO may accelerate steps aimed at integrating the countries which meet the required terms for entry into NATO.

You get the impression that it is to the advantage of some people in the West to remain deaf to all Moscow's arguments based on international law. This is the theme which Foreign Minister A.V. Kozyrev developed in his article entitled "Partnership for a United, Peaceful, and Democratic Europe," published in THE WASHINGTON TIMES. In it the leader of the Russian foreign policy department shows that Russia's foreign policy has already demonstrated that it is geared toward achieving national interests through partnership and not confrontation with the world. This policy is enshrined by the new democratic Constitution. Russia, in his words, has no territorial claims against any country in the world, including the countries of Central and Eastern Europe. Moreover, its new military doctrine gears the Armed Forces exclusively toward defending Russia and its allies, and also toward participating in peacemaking operations in line with international commitments.

It is also well known that Russian President Boris Yeltsin sent a letter to FRG Chancellor H. Kohl. In it the Russian leader gives assurances that he will not heed those who are calling for a nationalist or imperialist policy to be implemented.

The West is now trying a different tack, attempting this time to cast doubt on Moscow's desire to officially formalize its participation in the "Partnership for Peace." According to the Western mass media, Moscow is sending out contradictory signals, and confused Western leaders cannot fathom whether Russia is interested in joining the aforementioned initiative. For greater cogency, references are made to alleged differences of opinion on this subject within the Russian Federation leadership.

A Foreign Ministry representative at a recent briefing dispelled doubts about the Kremlin's true intentions and confirmed our positive attitude toward the program. He explained that the Russian side will soon hold talks with a delegation of NATO experts during which it is planned to discuss plans for Russia to join the program, to obtain explanations from NATO officials, and to propose its own scenarios for cooperation. In particular, we will put forward our proposal that partnership develop on the basis of the NACC, in which neutral states could play a full part. The main forum within which key problems of partnership will be thrashed out will be meetings between ambassadors and permanent representatives, while the practical implementation of its decisions will be entrusted to a political-military steering committee subordinate to the NACC.

In this way the process of elaborating a strategy of European partnership will develop.

Kokoshin, Vietnamese Army Official Discuss Cooperation

LD0303182694 Moscow ITAR-TASS World Service in Russian 1258 GMT 3 Mar 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow, 3 Mar—Prospects for and the state of military and technical cooperation were discussed today at a meeting between Andrey Kokoshin, Russian first deputy defense minister, and Dao Dinh Luyen, chief of Staff of the Vietnamese People's Army.

An ITAR-TASS correspondent was informed at the Directorate for Information and Press of the Defense Department that issues of the maintenance, modernization, and production of military equipment were discussed at the meeting of the military leaders of Russia and Vietnam. It is quite possible that an agreement on bilateral military and technical cooperation will be signed in the very near future.

Dao Dinh Luyen arrived in Russia on Wednesday on an official visit.

Political Issues

Yeltsin, Chernomyrdin Attend Government Meeting

LD0403084894 Moscow ITAR-TASS in English 0733 GMT 4 Mar 94

[Text] Moscow March 4 ITAR-TASS—President Boris Yeltsin has called for the adoption of a memorandum on civil peace in Russia to offset the destabilising effect of the week-old political amnesty.

He was speaking at the extended meeting of the Russian Government which opened in the Kremlin on Friday morning.

President Boris Yeltsin and Prime Minister Viktor Chernomyrdin are meeting with ministers, leaders of state committees and other federal executive bodies, as well as parliament chamber speakers, faction leaders and heads of local governments, as well as the leaders of interregional associations and public organisations.

Ironically, the other item on the agenda of today's meeting, eagerly awaited in and outside Russia is road safety.

Yeltsin Addresses Meeting

LD0403091794 Moscow Mayak Radio Network in Russian 0730 GMT 4 Mar 94

[Speech by President Boris Yeltsin at an expanded meeting of the government in the Kremlin—live]

[Text] Esteemed participants in this meeting. Eight days have passed since the presentation and sending of the president's message to the Federal Assembly. Quite a few deputies have already voiced agreement with the main provisions of the message. The long-awaited outlines of a common approach to the resolution of economic problems are becoming clear. I intend to do everything possible to strengthen it. This is all the more necessary in the present situation, when the danger of confrontation has appeared. I refer, first and foremost, to the political amnesty.

I am fully aware of how contradictory the Duma decision is and of how hastily it was implemented. I considered, and still do consider, that a violation of the Constitution, the law, and moral standards has been committed here.

The amnesty decision posed a most acute question for me as president: either a new schism, a new round of implacable struggle or, despite everything, the preservation and growth of a base for interaction, for cooperation in the state and in society.

For the country, for the benefit of its citizens, for security, for civic peace, the first path is ruled out. It can only lead to confrontation.

The address to the Federal Assembly spoke of the need for all healthy forces in society and all authorities and political forces to cooperate in what is currently the main issue— the strengthening of the state, nor was it said for the sake of style and form.

Russia now is an altogether different country: it has a constitution, it is able to resolve its problems peacefully. I think that together we will be up to the task of breaking the habit of always struggling and that we will be able to neutralize the adverse effects of the amnesty.

I am convinced that a majority of our deputies' corps does not suffer from political amnesia and that it does understand the absolute need to link efforts to surmount the crisis and to strengthen the state.

There is a platform for consensus—the presidential address. I think the time has come to create firmer guarantees of civic peace in the country. The president, the Federation Council, the State Duma, the government, the power-wielding structures, parties, movements, and public organisations should share the responsibility for preserving that peace.

The adoption of a memorandum on civic peace in Russia could become the first step along this path. Such a memorandum should to include not just a declaration of intent, but also mechanisms stipulating accountability for decisions that are being adopted. The leadership of the State Duma has reacted positively to this proposal.

I have no doubt that the government will also support it.

Today in Russia democracy means first and foremost stability, order, cooperation. The government is faced with an extremely important task. I would like to start with the situation in the coal-mining areas. It is inadmissible that wages should not be paid for several months. I shall keep an attentive eye on the development of events, on the position of the trade unions. Naturally urgent decisions will be made, but in the future let those first and foremost who are late in paying for the coal, who hold up wages bear responsibility.

The entire legal mechanism regarding liability for breaches of labor legislation needs to start working, beginning right from the very bottom. One should not rely solely on the government for everything. Judges and the procuracy should at last take a more active stand regarding workers' complaints. You see what things have come to. The Norilsk city court rejected several actions brought for breach of the collective contract. Some similar cases have come to light in the Kuzbass, too.

In the immediate future I intend to submit to the State Duma, by way of a legislative initiative, a package of amendments to the criminal code and to the law on collective contracts. Liability for breach of labor legislation needs to be stepped up. Let those who fail to honur obligations pay fines. Of course the problems cannot be solved by strikes today, but the liability of those who condemn the workers to strike must be stepped up. That is our common task.

The government has to determine the mechanisms to implement the strategy for the new stage of the reforms as set out in the message and to determine the tactics. It will not be easy to do this. This year the situation in the economy remains difficult. The sociopolitical conditions are rather tough. There is not much freedom of maneuver.

The government has a program which was adopted in August 1993. It must, of course, be refined, but the main thing is that it must be fulfilled. What is required of the government today is for it to have a long-term policy. Economic reform at any price is a mistaken slogan. People could reject a reform which is too burdensome. Life has shown that it is not just the reform, itself, which entails certain costs. Even greater losses are caused by delaying changes which are urgently needed.

The main thing today is the energetic transformation of the economic mechanism. The government has to continue to take upon itself the main burden of the problems. This is a sign of weakness of state power. The reform of the economic mechanism leaves the state those problems which the market system does not cope with. It will become not only strong but also cheap.

A qualitatively new stage of privatization is one of the main reserves of reform. The voucher stage must be completed without hindrance and on time, but it is necessary now to create the legislative basis and to create the organizational mechanisms which will make it possible to obtain from privatization much more than now. It is necessary to attract into it Russian and foreign investors in order to use this money for the technological renewal of production.

Of course, it is time to coordinate privatization with the structural and other areas of economic policy. The drafts of the Russian Civil Code and other top-priority laws will be sent to the State Duma very soon. Their adoption will lay a stable legal basis for the market economy and will help Russian entrepreneurship gain a firm foothold. Both parliament and the government need to support it, not only by adjusting regulation procedures but also by tax reform.

The urgent necessity of this is obvious, as is the difficulty of implementing it under inflationary conditions. All the same, tax reform must not be postponed until the summer, as is sometimes proposed. There are outlines and they should urgently be made use of. The system of settlements and the work of the banking system constitute a bottleneck in the reform. Profound changes are needed here, including reform of the Central Bank with the aim of creating a Russian federal reserve system and this should also be begun without unnecessary delays. The anti-monopoly reserve of the reforms needs to be skilfully managed. It is clear that the de-monopolization of our economy will require time. So preventive measures blocking the emergence of new monopolist structures are particularly important.

At the same time, we must not regard everybody as having been tarred with the same brush. Not every enterprise behaves as though it is a monopoly enterprise. Natural monopolies are another matter altogether—an effective state control is needed here.

The system of management of state enterprises is to be seriously transformed this year. To be more precise, this system, to all intents and purposes, must be built anew. State property is being used in a most ineffective manner. State property, or at least a proportion of it, is here to stay and in this area the Federal Assembly and the government alike have a great deal to accomplish.

The importance of creating Russian financial and industrial groups is well known. It is a way to concentrate resources in growth areas and maintain investment activity and competitiveness. The government must find a correct line—not to impede nor accelerate this process, but to control it, eliminating harmful effects.

The reform of economic mechanisms in the agrarian sector is a problem of enormous importance. It will continue to falter if no mechanism is created to implement the right to private ownership of land and if a modern banking infrastructure continues to be absent, along with a great deal else that is also lacking.

Financial discipline must be firmed up and this goes for the state itself, first and foremost. The primary task is to make inflation moderate, controllable, and predictable. The guidemark remains as before - about five percent per month toward the end of this year. The government has enshrined this mark in its program adopted on 6 August last year, and there is currently no convincing evidence to necessitate a review here.

It is, of course, necessary to bear in mind that, in Russia's present conditions, the war against inflation will be a positional [pozitsionnyy] one. I think that military terminology is fully appropriate in this matter. Inflation cannot be beaten by a single fierce attack. To win the battle, total coordination of the actions of the president, the Federal Assembly, and the government will be required. It is necessary to involve all the forces that are available, all resources—both monetary-credit and financial and structural-investment resources—and fiscal policy. The inflation-proofing of the economy must be completely guaranteed. This is a vital political limitation from which we cannot depart. An exclusively inflationary budget is unacceptable.

The other limitation is the due level of social protection for those who are unable to do without state assistance. Any draft decisions causing the standard of living to fall below the minimum levels must be referred back for reconsideration. They are not to be implemented. This applies primarily to the budget. Any reduction in the share of expenditure on culture, science, and education is impermissible.

Acting within the framework of these limitations, the government has to immediately activate schemes to address the full acuteness of the nonpayments crisis.

This year, it is time to make a real start on registering debt in the form of securities, reorganizing and improving economically unviable enterprises, and applying the bankruptcy procedure. An economy in which factories calmly feel that they have no prospects will never be a truly market-based, efficient, and non-inflationary economy.

The government must at last launch a structural investment policy. Otherwise the technological retreat of Russian industry will not be halted, and we may lose even what little we have: industries which have kept their staff, technologies, and well-established positions in the world market, as well as our country's intellectual potential. We have no alternative now to using the potential of reforms to get us out of the crisis and restore the economy. I am convinced that together we are capable of making 1994 a year in which we see a steady fall in the inflation rate, stabilization of living standards, a significant slowdown in the decline of output, an increase in investment activity, and positive structural changes.

Chernomyrdin Addresses Meeting

LD0403134994 Moscow ITAR-TASS in English 1134 GMT 4 Mar 94

[Text] Moscow March 4 (ITAR-TASS)—"The Russian Government fully shares the objective of strengthening the Russian state as defined by the president in his message to the parliament," Prime Minister Viktor Chernomyrdin told the extended meeting of the Russian Government which opened in the Kremlin on Friday morning.

"This is the basis for continuing reform, an end to the crisis through economic restructuring and creating conditions for economic, political and social stabilisation", Chernomyrdin said.

"We see no ground and no possibility for radical changes in the course we are pursuing. The government will take guidance from the programme adopted last August and approved by the president. We shall stick to this programme and implement it no matter how difficult it may be," Chernomyrdin said in the meeting with ministers, leaders of state committees and other federal executive bodies, parliament chamber speakers, faction leaders and heads of local governments, as well as the leaders of interregional associations and public organisations, which is being held in the Kremlin to discuss the state and prospects for the development of the Russian national economy and road safety law," Chernomyrdin said.

The Russian Government is satisfied with neither the speed nor intensivity of reforms, nor is it satisfied with the quality of the work being done by management bodies on all levels, from the federal to the local. The government in full shares the president's alarm and the society's worries about the country's economic position, Viktor Chernomyrdin stressed.

However, he noted, there are no foundations for the drawing of hasty conclusions that a catastrophe is imminent or that reforms have stopped and it is necessary to turn back to 1992 in order to "renew" radical restructuring. It is permissible and necessary to argue about what has and has not been done and why. But it is not permissible to overlook the obvious: a market economy already exists in Russia. Now, the premier considers, the country needs to move on, taking into account the fundamental differences in the economic and political situation which has formed at the beginning of 1994, and paying attention to the lessons contained in the government's mistakes and programmes.

Summing up the year 1993, Chernomyrdin noted that the country was able to undertake significant steps towards the furthering of reforms despite the difficult internal political situation. The reasonably strict financial and monetary policy made it possible to control, and towards the end of the year, seriously lower the rate of inflation. Privatisation was carried out dynamically, and additional measures were taken to liberalize Russia's foreign economic activities.

Nevertheless, the country's economic situation remains alarming. The decline in industrial production grew towards the end of the year. We have stepped right up to the line, beyond which lies the irreversible destruction of our scientific and technical potential. The country's external economic position likewise remains tense. The problem of non-payments has again became more acute.

According to Viktor Chernomyrdin, Russia's budget was not able to fully pay for the goods produced for government needs or for several other obligations, including the payment of salaries in the budget sphere. Instead of searching for additional ways to strengthen the income base and rationalize expenses, "emergency" measures were undertaken.

Talk about the destructive effects of nonpayments on the financial status of enterprises, the budget, and the country as a whole has been going on for more than a year. In the end, there is still no full and operational account of mutual debts in the national economy. This problem is undoubtedly very complex, but, the premier stressed, at times the impression is produced that neither the Finance Ministry, the Economics Ministry, the State Property Committee, nor the Central Bank of Russia wants to deal with the issue. In the meantime, the situation is getting more complex every day.

Speaking about the trade ministries and departments, Viktor Chernomyrdin emphasized that it sometimes seems that their main goal is to wring more money and privileges for their enterprises, as though state policy and the government's realistic capabilities do not concern them.

Last fall, an action plan was adopted for the implementation of the first stage of the government programme. An analysis of the plan showed that of 88 assignments, only one half were actually carried out. Principally important decisions have not been put into practice, such as decisions on agricultural co-operative societies, on the develepment of agricultural loans and insurance, and the practical use of mortgages.

Viktor Chernomyrdin expressed his opinion that ministry and department heads must look at the economy as a whole and carry out truly national policies. However, he stressed, far from all of these heads have been able to withstand the pressure from special interest lobbies, especially when these attacks were accompanied by a lot of noise, which contained political implications as well. In what kind of state, the premier asked rhetorically, are possible instances where electricity is turned off not only for television programmes, but even for civil flight monitoring. "democracy or no democracy, we will react to such things in the future very severely", Viktor Chernomyrdin noted.

The premier expressed his confidence that it is impossible to carry out reforms looking at the country and the people from the top down, without explaining anything or asking for the agreement of those, for whose sake the government is working.

Summarizing not only 1993, but the past two years connected with reforms, Viktor Chernomyrdin emphasized that, "it is necessary for us to first of all look at the new problems which the Russian economy is facing today".

First of all, he noted, there is a new situation regarding prices. Internal prices for the majority of goods and services (excluding energy sources), have approached world levels. This, on the one hand, has contributed to the saturation of the market, the unhindered establishment of new economic ties, and the development of trade and normal market relations. But, on the other hand, more and more enterprises have been exposed as unprofitable, ineffective, and incompetitive.

Second, the reasonably strict financial and monetary-credit policy has nevertheless brought certain benefits, although it was not able to stop inflation. The inflation rate, if one does not count january 1994, has noticeably decreased. It will be no more than 13-15 per cent in february, meaning, it will remain on the same level as the November-December, 1994 period. However, Viktor Chernomyrdin pointed out, the government is worried by the asymmetric reactions of the national economy to strict monetary policies: on the one hand, the increase in the money supply gives inflation a strong push, but, notwithstanding expectations, has not led to the stabilisation of production, and holds back the much-needed proccesses of essential restructuring in the production sphere.

At the same time, he noted, the lowering of the rate of increase of the money supply, without significantly effecting the level of prices, causes a sharp fall in production and increases enterprises' financial problems. This in particular is the result we have gotten from the tight control held over the money supply in the June-October, 1993 period.

Third, the premier said, the production decline in 1993 and the first months of this year has turned out to be more than was expected. Effectiveness is falling, we are faced with the threat of massive unemployment and the reduction of the means of production. In several sectors, the current level of production is no more than 50 per cent of the january, 1990 level.

The crisis has reached not only those sectors for which a large decline in production was predicted, but also those who produce competitve goods. In such conditions, the premier pointed out, it is obvious that the question goes deeper than the "more money, less money" level. Without a fairly strict financial and monetary policy, it will be impossible to do anything.

While we will not at all costs weaken efforts in the sphere of financial stabilisation, Viktor Chernomyrdin noted, we must act on the other aspects of russia's economic life no less decisively.

The answer, according to the government's opinion, lies in the solution of the following tasks: the strengthening of state power and the introduction of order into all areas of the economy and social life; the implementation of a balanced, reasonably strict financial policy; the decisive activation of the structural investment policy; significant changes in privatisation policy to aim it at not just transferring state property, but at improving the effectivene of production, at stimulating investments, and at the activation of basic restructuring; the use of all possibilities for the strengtheningof social policy to make reforms answer the people's needs and to neutralize the basic sources of dissatisfaction among the people; the consolidation of all the healthy forces in society to resolve the tasks of the new stage in refroms and to achieve national accord on that platform.

A special concern of the government remains the strengthening of the legal guarantees of market reforms, in connection with which the Cabinet of Ministers has sent the State Duma more than 60 bills.

Turning to the problems faced by the agricultuiral sector, the prime minister admitted that, "subsidies to agricultural producers are necessary, but now they are a burden on the budget and often ineffective". At the same time, he emphasized that agricultural subsidies create a threat to the other sectors of the economy.

Viktor Chernomyrdin refuted press reports alleging that he is planning to give the farmers 34 trillion roubles in credit. "There is no such plan, and there will not be", he announced. Support of the agrarian sector will remain at the same level in 1994 as it was at in 1993, and money

will be handed out only when results are guaranteed and the purpose is completely clear, the head of the Cabinet of Ministers assured.

Then Chernomyrdin turned to the tasks which demand solutions in the next two or three months. The most important is the "creation of a mechanism for the resolution of the mutual non-payments problem in the national economy". Several means of battling this problem were named, including the compulsive registration and calculation of all the accounts of a given enterprise, including its foreign accounts, and stricter administrative and financial responsibility for the concealment of income sources. The introduction of a practical bankruptcy mechanism for those enterprises which cannot pay their debts is also envisaged.

The premier expressed his opinion that the economic situation requires "the decisive strengthening of the effectiveness of financial policy: we cannot afford the luxury of living a second year without an approved budget".

As work on the draft budget for 1994 is being wrapped up, the main task remains that of not allowing the budget deficit to grow. However, Viktor Chernomyrdin named a different figure approximating inflation at the end of the year than President Yeltsin did in his introductory address. While Boris Yeltsin named an orientation figure of 5 per cent, the premier brought forward 7-9 per cent. In doing so, Viktor Chernomyrdin hedged his words by saying that the government intends to conduct an active search for reserves, "which would allow us to consistently approach the 3-5 orientation figure for inflation at the end of the year, which was mentioned in the president's address".

Financial stabilisation is impossible to achieve without an effective tax system, the speaker declared. Among its top priority jobs, the government is bent on simplifying and organizing the tax collection procedure, refusing enterprises and districts in their requests for individual privileges, and strengthening the tax collection service. At the same time as these measures are being carried out, the tax regulations will be perfected.

Reporting that the federal budget in 1993 did not recieve 7.5 trillion roubles, or about 30 per cent of the income which it had forecast for itself, Chernomyrdin demanded that the internal revenue personnel, which number 135 thousand, improve the effectiveness of their work.

Viktor Chernomyrdin paid special attention to the fundamental reorganization of mutual budget relations between the center and the regions. At the base of the new system of budget federalism will lie common rules on the allocation of state expenditure and income between the federal budget and the budgets of the Russian Federation's many component parts. The main principles and purposes of the budget relations reform were defined in the president's state-of-the-federation address and his order from December 23, 1993.

The 1994 budget will be based on the actual state of affairs. "Our choice is fairly limited", the premier noted, "if we let inflation have its head, we will end up in a spiral fall which we will not be able to get out of. If we stop production, we will end up with a seething country, collapse, and chaos. Today's most important question is to walk literally along the edge of a razor, without falling to one side or the other".

Structural investment policy was named as one of the priorities of economic reform. Chernomyrdin noted that the government is going to adopt a radical re-allocation of budget means, increasing the amount of government investments. They should amount to three per cent of the gross national product. Three-quarters of the over-all budget means ear-marked for capital investments are proposed to transfer to the financing of the construction of federally-important projects envisaged in current government programmes.

Taking this into account, the government is correcting its investment programme for 1994. Of the 86 federal programmes which have already been approved and presented to the government, about 40 will be implemented. The mechanism of extending subsidies and credits is also being reviewed. Their share as a percentage of all budget allocations will be lowered from 9 per cent to 7.4 per cent.

The government is beginning to get tough on ineffective businesses, many of which will have to be shut down. Along with these steps, the government will assist the implementation of large-scale investment projects which have importance for the future of the Russian economy and are being carried out with the help of foreign capital.

According to Chernomyrdin, government money will bring the most profit if it is allocated on a commercial basis through banks and other financial institutions.

The government head urged entrepreneurs, bankers, and the heads of large joint stock companies to increase their participation in investment projects and attract more capital to the Russian market.

Chernomyrdin called privatization one of the most important methods of fundamentally restructuring the economy. He noted that the voucher privatization programme must be finished by the first of July. A new stage in the government's privatization policy is due to begin in the second half of this year. Its basic form will be commercial and investment competitions with strict regulations which are to ensure the reorganization and restructuring of enterprises and the inflow of investments, including from abroad. In 1994 privatization should become a sort of locomotive of reforms on the local level.

Viktor Chernomyrdin called social policy the weakest part of the government's work. The government has recently been working hard on the formation of a more active social policy. First of all, direct aid to the needy

will be increased and and the financial base of the corresponding funds will be reinforced.

From April first, the amount paid out in existing pensions will be recalculated. The next step will be a new pension law, the draft of which will be presented for discussion to the Federal Assembly.

Speaking about the gradual restoration of citizens' savings, Viktor Chernomyrdin stressed that this will be done first of all for veterans. Part of their savings will be restored by the transfer of pieces of state property, such as stocks in state enterprises or land.

The premier judged that unemployment has begun to make itself felt. Open unemployment is still not very large, but already almost four million people are being forced to work on a part-time basis. He said it is now necessary to think about the organization of social projects, such as the construction of living accomodations, roads, bridges, and other socially important things.

Touching upon the question of the activation of income policy, Chernomyrdin stressed, "we are going to begin a stricter progressive tax policy on high and extra-high incomes, require the declaration of incomes when making large purchases, and change the real estate tax policy". The regulations concerning enterprises' expenditure on wages are also changing, he said. One more step will be the introduction by the government of an official minimum living standard, to which will be tied the minimal wage and minimal pensions.

Chernomyrdin called the sharp increase in housing a nation-wide task. He reported that the government has already adopted a packet of regulations on the development of the credit system in the housing sphere and on subsidies for the construction and purchase of living quarters. The subsidies would go to those who have been waiting in state lines for years, military personnel, and other "privileged people". Non-budget ways of financing housing construction are also to be developed.

Chernomyrdin admitted that the government cannot afford to give the sciences, education, and culture all the finances from the federal budget which these spheres deserve. The science and higher education systems cannot survive without rationalising their activities, wisely redistributing their resources, and getting rid of extra organizations.

The premier said the government is worried about the battle against crime. He reported that there are still very few concrete, effective measures which would decrease the tension around the growing threats to society and peoples' safety. The government is determined to undertake severe steps towards freeing state structures from the influence of mafia elements, organized crime, and corrupt people, no matter what position the suspect holds.

As far as the political aspects of Russian society's life go, Chernomyrdin expressed his hope that the political amnesty will "all the same become a step towards reconciliation and not towards a new round of confrontation and destabilization". "The president and government will act as sure guarantors so that events do not take such a turn", the prime minister announced.

Chernomyrdin sharply condemned exaggerated rumours about his presidential aspirations. "I am not one of those handymen who are ready to go right from manager to minister and then to president", he said. He considers it "unethical to carry on any conversations on the presidential theme while the current president is still functioning".

In his conclusion, Viktor Chernomyrdin called for all the branches of power to reach an agreement, which would be helped by the new constitution and the basic conceptions of national security as expressed in the president's address. Russia has a parliament and a government, and it has, finally, the general desire of its peoples to restore their country to its status as a great, powerful, and prosperous state, the head of the Cabinet of Ministers emphasized.

Chernomyrdin Denies Presidential Ambitions

LD0403110194 Moscow Ostankino Television First Channel Network in Russian 0900 GMT 4 Mar 94

[Text] Viktor Chernomyrdin, chairman of the Russian Government, delivered an analytical report on the state of the country's economy and the prospects for its development at an expanded meeting of the government in the Kremlin today. He said that the government totally shares the provisions of the message from President Boris Yeltsin to the Federal Assembly.

[Begin Chernomyrdin recording] The crisis has affected not only those sectors which were forecast to suffer the greatest reduction in production but also those which produce products which are, in principle, competitive and consumer goods which are in demand. In these conditions it is evident that the question can no longer be put simply in terms of more money or less money. It is clear that without a sufficiently tough financial and monetary policy it will not be possible to achieve anything, just as it has not been possible in other countries. But it seems that it will hardly be possible to radically improve the state of affairs in the country using only this means.

The government today has great responsibility for the course of the reforms, for what they will cost millions of people, for the political temperature of the young Russian democracy which is undergoing a complicated time of its self-determination both in the country and in the world as a whole.

I cannot today avoid mentioning a problem which is extremely important for me, personally and for the government which I head. What is at issue is that of late in some of the mass media a noisy campaign has been unleashed with the aim of proving that the chairman of

the government is allegedly concentrating power, that he is taking too much onto himself in order to get himself onto the presidential chair. Even some polls have begun to be held on this theme. Let me say honestly and frankly that I am not one of those clever people who can do everything who are prepared to ascend in one leap from being head of a laboratory to being a minister, deputy minister or premier or even at times president.

I must say in the first place that Russia is not a racing car, which you can get into, go for a spin and get out of again; and after this the whole country trembles like in a fever. Second, I consider that it is impermissible and simply idiotic to have any discussion about the presidency while we have an existing president. We have one nationwide leader, elected by the whole people and I do not intend to intrigue against him. I am not like that.

Third, some people, including some of you, are making vain attempts to drive a wedge between the president and the chairman of the government, trying to cause trouble between us, and this will not succeed. It is futile to try.

Today, accord is needed by all of us, by all branches of power, by all leaders, no matter what posts they occupy. Accord is needed by the whole people. [end recording]

Cabinet 'Sharply' Criticized

LD0403154094 Moscow INTERFAX in English 1418 GMT 4 Mar 94

[Text] At an expanded meeting of the government in the Kremlin on Friday deputies of the State Duma and leaders of executive bodies from a number of regions sharply criticized the Cabinet's activities.

Thus, the chairman of the State Duma's committee on economic reform, Sergey Glazyev, accused the government of lacking an anti-crisis program of reforms. He described the prime minister's report as a declaration of intentions. In his opinion, the government has lost control over the economic processes. He also noted that the president and the Cabinet virtully ingore any economic initiatives and proposals of the parliament.

According to Glazyev, the main confrontation in society is not between supporters and opponents of reform, but between those who favor establishing law and order and those who "swing the boat stirring up confrontation." In the opinion of the deputy, such people work in all branches and structures of power.

St. Petersburg Mayor Anatoliy Sobchak warned that the country is now "on the brink of a financial catastrophe," and unless urgent measures are taken there will be mass stoppages of enterprises and freezing of social programs. Sobchak spoke in favor of cancelling the compulsory character of the privatization program adopted by the government at the initiative of the State Property Committee, giving regions the right to carry out privatization according to their own programs. The St. Petersburg mayor accused the Cabinet of not wanting to transfer part of the budget deficit burden on regions' shoulders.

Acting Finance Minister Sergey Dubinin did not agree with that point of view. He noted that regions are entitled to impose their own taxes and form their own budgets. The acting finance minister pointed out that the government can hold inflation down with shock methods and knows how to do that. However, it does not set such a goal because this would threaten to cause grave social consequences in the future.

Economic Report Circulated at Meeting

LD0403112694 Moscow ITAR-TASS in English 0810 GMT 4 Mar 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow March 4 TASS—Russia's Gross Domestic Product in 1993 amounted to 162.3 trillion roubles, down 12 per cent from 1992 and 29 per cent in comparison with 1991, the year of the beginning of radical economic reform in Russia. Are, according to the Russian Statistics Committee said in a report circulated among participants in the extended meeting of the Russian government which opened in the Kremlin on Friday morning. [sentence as received]

President Boris Yeltsin and Prime Minister Viktor Chernomyrdin are meeting with ministers, leaders of state committees and other federal executive bodies, as well as parliament chamber speakers, faction leaders and heads of local governments, as well as the leaders of interregional associations and public organisations to discuss the state and prospects for the development of the russian national economy.

The report says the volume of industrial production in the country dropped by 31.3 per cent from 1991 through 1993, the consumer goods production by 24.8 per cent, food products by 27.3 per cent.

Capital investments in 1993 amounted to 51 per cent of the 1991 level. Fifteen per cent fewer new houses were built.

Last year's trade turnover reached 58.8 trillion roubles, 2 per cent up from 1992.

The Russian transportation system carried 3.6 billion tonnes in 1993, one quarter less than in 1992, and 43 per cent less than in 1991.

Russia's total exports last year are valued at 43 billion U.S. dollars, 1.4 percent more than in 1992, but 16 per cent less than in 1991. Imports reached 27 billion dollars, 73 per cent of the 1992 level and 61 per cent of the 1991 level.

The budget deficit in 1993 is expected to amount to 11 trillion roubles (seven per cent of the Gross Domestic Product), an 18-fold increase from 1992, while the inflation growth rate grew ten times.

Unemployment in Russia reached 3.8 million people (as calculated in accordance with ILO [International Labor Organization] methods), of which 835 thousand are formally recognised as jobless. This is 13.5 times more than in 1991.

39.6 million Russians, or 26.7 per cent of the total population, received registered incomes below the survival minimum. Real incomes in 1993 decreased by 43 per cent from 1991, and the aggregate index of consumer prices soared 245 times during the same period, the statistics reports circulated among participants in the extended meeting of the Russian government in the Kremlin today attended by President Yeltsin, ministers, leaders of state committees and other federal executive bodies, parliament chamber speakers, faction leaders and heads of local governments, as well as the leaders of interregional associations and public organisations.

Statisticians told the Russian government that the fuel and energy sector produced in 1993 less electricity, oil, natural gas and coal in comparison with 1992. Electricity generation dropped by 6 per cent, the production of oil, including gas condensate, shrank by 14 per cent, of natural gas by 0.4 per cent and of coal by 5 per cent. Nonetheless oil exports to foreign countries increased 1.2 times from 1992 to 79 million tonnes, while supplies to Commonwealth and Baltic countries were cut by almost one half.

In their agrarian sector land redistribution and privatisation went ahead along with social and structural reforms. 24,000 of collective and state farms, or 95 per cent of their total number, had re-registered by the end of 1993 as partnerships, farming cooperatives or other organisational and legal entities. State-owned agricultural enterprises now control no more than 15 per cent of all farmland. Individual private farmers own five per cent of farmland and six per cent of all arable land.

The gross production of agriculture dwindled by four per cent in 1993 in comparison with 1991 (in comparable prices), including by 2 per cent in horticulture and by 5 per cent in livestock farming.

The country harvested 99 million tonnes of grain in 1993, seven per cent less than in 1992. Meat production also reduced by 7 per cent from 1992, while the output of milk remained at the same level.

From January through November of 1993, as many as 39,000 enterprises were privatised, making a total of 86,000 enterprises since the beginning of privatisation in Russia.

Economic Report Summarized

LD0403124894 Moscow ITAR-TASS World Service in Russian 0830 GMT 4 Mar 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow, 4 Mar—"The development of the economic situation in Russia is being determined to an ever greater extent by the progress of the implementation of economic reform and the degree of consistency and coordination of the changes taking place", stresses the Russian Federation Ministry of the Economy report "On the state of the Russian economy in 1993 and the prospects for its development in 1994." It has been circulated in the Kremlin among the participants in an extended session of the Russian government.

The Ministry of Economy report, which runs to nearly 200 pages, notes that at the first stage of reform, by the summer of 1992, it was possible to slow inflation, to reduce the budget deficit and to normalize the consumer market. However, the subsequent wholesale advancement of credits to the economy, which merely temporarily "suppressed" the problem of non-payments, put a brake on structural changes. Acknowledging that part of the credits was enforced—for the agro-industrial complex and supplying goods to the Far North—the authors of the report, nevertheless, point out that at the end of 1992 the credits of the Central Bank of Russia "were excessive." As a result the country began 1993 with a considerable slump in production and a sharp reduction in investment activity, threatened with a high rate of inflation.

"In 1993, in the difficult conditions of the domestic political situation and confrontation with the government by the various branches of power, it did, nevertheless, prove possible to take substantial steps towards further advancing the reforms," the report stresses. "Efforts were concentrated on conducting a moderately tight financial and monetary-credit policy with the aim of reducing inflation, further liberalizing external economic activities through restricting the sphere of licensing and quota imposition, cutting import subsidies, and switching to a unified foreign-currency exchange rate for the ruble, and were concentrated on other areas."

The adoption from the first months of the year of tough measures aimed at improving the situation as regards the budget and, primarily, at cutting budget expenditure was, in the view of the report's compilers, one of the most vital components of the anti-inflation policy.

According to the results for the year, the budget deficit amounted to 6 percent of the Gross Domestic Product [GDP], or to about 10 per cent of GDP if one takes account of expenditure arising from providing credit to the CIS countries, granting preferential credit to enterprises and subsidizing centralized imports. There is still budget indebtedness to state-financed organizations as regards paying for the output of agriculture, the defense sectors and the coal industry. "It is, therefore, too early to speak of a solution to the problems in the finance field. A carefully-considered restriction policy is needed here."

The document adds that monetary and credit policy was pursued much more consistently in 1993. Its restrictive

nature made it possible "to reduce somewhat the inflationary pressure in the economy" and to avert hyperinflation. "At the same time, inflation is still rather high, and it is premature to speak of a definitive breakthrough in its dynamics. In 1993 as a whole, consumer prices rose by a factor of 9.4 and producer prices by a factor of 10."

Speaking of the increase in nonpayments among enterprises, the authors of the report point out that although the relative scale of nonpayments in 1993 was much smaller than in 1992, "their impact on enterprises rose considerably". By the end of 1993, 3,262 enterprises were standing idle, mainly because of nonpayments. "The main cause of falling output now is not the breakdown of economic links, but limits on demand and the lack of money and customers."

The Ministry of Economics officials point out that "the process of removal of state control and privatization developed dynamically and on a large scale in 1993. The position of the nonstate sector of the economy, which is already directly employing over 30 million people, or more than 40 per cent of the workforce, is growing stronger." About 70 percent of trade, catering and service enterprises have been privatized. Over one-third of large and medium-sized enterprises, accounting for some 40 per cent of industrial output, are in private or mixed ownership.

It is also noted that the process of implementation of a transition to the development of a single Russian agricultural market regulated by new market methods has begun. Partnerships in various forms, which now number 11,500, have become the main organizational and legal form of management in the countryside.

At the same time, the report stresses that "the quantitive parameters of the privatization process (the increase in its speed and scale) are running ahead of the qualitative aspects. Privatization is not yet realizing its full potential, and its influence on the nature and efficiency of production is weak... The overall proportion of production in private ownership is still small (below 5 percent), and it is not yet having a major impact on the establishment of a competitive environment."

The authors of the report point out that the measures taken by the government to support production in priority areas helped to prevent a disastrous slump in production and to slow down the rate of the slump. "At the same time we could not overcome the inertia of the economic slump. The GDP for the year as a whole was 12 percent below that of 1992, and industrial production 16 percent below."

The document states that "certain positive changes were outlined in the social sphere," and the consumer market, which was almost completely destroyed by the end of 1991, has been restored and is actively functioning. Supply of goods has expanded, disposable monetary incomes of the population have increased by 11 percent and the average monthly salaries of workers, calculated in dollars, increased from $32 in January to $114 in January 1993. In the structure of consumer expenditure of the population the proportion of expenditure on food has begun to fall and actual consumption of meat and meat products, confectionery and a number of other products has increased.

At the same time the acute problems in the social sphere have not been overcome. Approximately one-third of the country's population has incomes below the subsistence wage and this proportion is higher than in previous years. The rapidly increasing differentiation of the population in terms of incomes and supply of material requirements is becoming a source of tension in society.

This creates a climate for an exacerbation of social conflict. The report notes that both the foreign economic and currency position of the country remains tense. Despite the considerable positive balance in current foreign currency operations in 1993 (as a result first of all of a considerable reduction in import), Russia is experiencing a lack of foreign currency funds for maintaining the necessary investment activity and ensuring the restructuring and clearing the foreign debt. Out of the total amount of increase in foreign currency funds on the accounts of enterprises and commercial banks, assessed at $21-22,000 million, a considerable part is being held in deposits in foreign banks.

At the present stage of economic reforms, for which the year 1993 is noted, "there have been both considerable progress in a number of areas of creation of the market economy mechanism and high costs brought about by the inevitable expenditures of the transition period, the legacy of a top-heavy economy and serious errors in the implementation of the reform itself, aggravated by the confrontation of political forces in 1993," the report stresses.

At the same time it quotes data in accordance to which "crime is bringing a considerable negative influence to bear on the country's socio-economic situation." The greatest danger is represented by organized crime, which "not only is laying claim to leadership in the economy, but is also trying to invade politics and is lobbying power structures at all levels". As the reports notes, criminal groups control over 35,000 persons in management positions, including some 1,500 in the state sector of the economy. According to experts' estimates, from 30 to 50 percent of the revenue of organized crime is used for bribing civil servants.

In 1994, the Russian Government intends to lower the inflation rate to 400 percent for the year as a whole and to slow down the pace of economic decline with a fall in the GDP to 5-7 percent as opposed to 12 per cent in 1993, the Economy Ministry report says.

The government intends to abide consistently by a policy of economic reform in accordance with the government action program for 1993-95, adopted on 6th August 1993, and also to promptly adopt suitable measures to resolve problems arising during the carrying out of economic transformations.

Vital components of the implementation in 1994 of the policy adopted will, in the opinion of Economy Ministry experts, be the conducting of a moderately tight financial and monetary policy aimed at noticeably reducing the pace of inflation and improving the financial position of enterprises; the continuation of institutional transformations, reforming state enterprises and a change in the practice of privatization; ensuring a selective state policy of structural investment; and an invigoration of social policy.

The report points out that measures will be taken in 1994 to reform the fiscal system, strengthen the revenue part of the budget and boost the effectiveness of the use of state means. "The main task is to make financial policy effective, controllable and more predictable, and to gear it to the accomplishment of long-term, as well as current, tasks."

As far as privatization is concerned, here the government intends to speed up the process and to help to bring it into closer contact with restructuring, regional policy, the stabilization of the work of branches of the economy and with improving stability in society. "Voucher" privatization will come to an end in the country by 1 July 1994. The privatization of medium-sized and large enterprises will continue. The document notes that privatization "should be carried out taking account of preserving viable technological structures, strengthening stable economic links and interproduction cooperation and should prevent the formation of several nonstate monopolists in the place of one state monopolist, thus restricting the emergence of a number of pockets of price rises. Questions of appraising property liable to privatization, benefits whhich may be granted and the procedure of and conditions for the sale of enterprises or share packages belonging to the state should be decided in a new way."

The report notes that selective, "targeted" state support for those enterprises which determine the structural improvement of the economy and which manufacture a competitive end product and are of key importance for the reorganization of the economy as a whole, has been planned for 1994.

The report lists the following as highly important social policy priorities: achievement of stabilization of the population's standard of living, active influence on the labour market, expansion of motivation for the economically active population to engage in work and business, prevention of mass and stable unemployment, intensification of targeted support for the least well-protected sections of the population, state support for industries providing social services, and the provision of a guaranteed minimum of free health and social services, education and housing. The government regards "the more equal and just distribution of the burden of the economic crisis among the various sections of the population" as a new important task.

Only the sufficiently full and consistent implementation of the measures outlined by the government to improve the efficiency of the use of state resources and to increase the functioning of market mechanisms will make it possible to take the necessary step in 1994 towards creating the conditions in which the Russian economy can be revived and the economic crisis overcome in 1995, the report stresses.

Resolution on Economy Approved

LD0403160694 Moscow ITAR-TASS in English 1530 GMT 4 Mar 94

[By ITAR-TASS correspondents Ivan Ivanov and Oleg Velichko]

[Text] Moscow March 4 TASS—The Russian Government has instructed all executive power bodies "to pay special attention to the development and implementation of measuring aiming to raise the living standards, lower the inflation rates, settle the non-payment problem, stabilize and increase industrial and agricultural production, develop competition, boost institutional changes and upgrade the economic system and the system of state control", says a resolution "on state of the Russian economy and prospects for its development in 1994".

The resolution was approved today by an expanded government meeting. Ministries and departments were instructed to elaborate a document with due account of additions and proposals put forward at the meeting.

The resolution also basically approved a plan of government priorities resulting from the presidential message to the Federal Assembly "On consolidation of the Russian state". The plan offers measures for stabilization of the living standards, a comprehensive reform of social services, including social guarantees to families with low income and paid services for families with stable finances, more equal distribution of the economic crisis burden between various groups of the population and gradual compensation of savings that were brought to naught by price liberalization.

It is planned to adopt this month a general agreement between all-Russian trade union associations, unions of employees and the government for 1994 with the aim of consolidation of social partnership.

The plan includes measures for reform in the health care system in order to prevent decreased medical services to the population, as well as measures for support of science and culture.

The government will prepare a draft law on reorganization of the Russian banking system, a draft taxation code and a draft presidential decree on boosted activities of the taxation service.

The government will prepare in March a state program of demonopolization of the economy and development

of competition on Russian markets and a draft resolution on state selective structural policy.

The government plan includes measures to upgrade federalism fundamentals and consolidate the integrity of state and Russian economic unity.

The resolution recognized it necessary to create conditions for the formation in 1994 of financial-industrial groups, sufficient investment activities and more efficient use of scientific and technical achievements.

It also urges the need for specification of the Russian privatization concept in connection with the end of validity of privatization vouchers on July 1, 1994.

Draft Federal Budget Approved

LD0303191794 Moscow ITAR-TASS in English 1853 GMT 3 Mar 94

[By ITAR-TASS correspondent Ivan Ivanov]

[Text] Moscow March 3 TASS—Russia's budget for 1994 "is likely to be the first truthful budget", it has no "seamy sides", Russian Prime Minister Viktor Chernomyrdin said at today's government meeting which discussed a draft federal budget presented by the Finance Ministry. "We will have to take great efforts" to achieve the targets envisaged by it, the premier stressed.

During the discussion, some senior executives of ministries and agencies stressed the need for more spending in such spheres as housing construction, social welfare, science, environmental protection. Thus, Culture Minister Yevgeniy Sidorov said we should not "fight inflation by cutting down expenditures" for culture, which are to account for 0.3 per cent of the total budget expenditures. "With such a budget, the social sphere will be gradually dying, which is to affect, sooner or later, the economy and the entire situation in the country", he stressed.

Agriculture Minister Viktor Khlystun noted that the draft budget did not provide for allocations of about 5 trillion roubles to back the agro-industrial complex, which were envisaged by the government decision promising support for agriculture in 1994.

A speech by Labour Minister Gennadiy Melikyan was extremely emotional. He predicted that the proposed 1994 budget would be implemented for about two or three months only, and then violations are inevitable, the same as it happened to Russia's two previous federal budgets. He stressed that "the draft budget has very little to do with a real economic policy, it simply sets a tight course for stabilizing the economy by reducing budget spending". The labour minister called upon the government to work out effective measures to encourage production, including through adequate taxation.

Melikyan was backed by First Deputy Defence Minister Andrey Kokoshin, who described the draft budget as "politically dangerous". He also reported that the defence ministry collegium had estimated the envisaged expenditures for national security as extremely unsufficient. "It will literally ruin the country's defence capability", the collegium stressed. A shortage of state funding is to bring about "an immediate dismissal of 400,000 servicemen and to fully terminate purchases of military equipment", according to Kokoshin.

The prime minister argued that all ministries and agencies demanding extra spending should take into consideration the current complicated situation in the country. "Now we are on the verge of an abyss, beyond which we will just collapse... For this reason, the draft budget is rather tight, we should determine how to overcome this crisis with the lowest losses", Chernomyrdin told the gathering. "We do not need either hyperinflation or a simmering country. And we have two levers to control this—power and order", he emphasised.

On the premier's proposal, the draft budget was approved in principle. The Finance Ministry was instructed to finalize it within ten days. In doing so, it should "by no means increase items of expenditure, otherwise we will face a catastrophe".

Gorbachev Believes Yeltsin Approved of Amnesty

LD0203202394 Moscow INTERFAX in English 1817 GMT 2 Mar 94

["Exclusive" report No. 9 of 59]

[Text] The political amnesty for those who plotted the August 1991 coup and who were involved in last September-October events has been commented on in the news media by Russian officials of different ranks, very highly placed among them. The amnestied themselves also expressed their views concerning the State Duma decision. Interfax's correspondent Vyacheslav Terekhov interviewed the last USSR President, Mikhail Gorbachev, in this connection.

Corr.: What is your attitude to the State Duma decision on dropping legal proceedings against those who plotted the August 1991 coup, those responsible for last May's bloodshed, and the leaders of last October's disturbances in Moscow?

Mikhail Gorbachev: In my view, it was not too easy for the State Duma to take such a decision. Nevertheless it's noteworthy that three-fourths of the deputies in the lower house of Russia's parliament voted for it. As a matter of fact, each of the Duma members realized that the voting will not be secret, and that the stand taken by each of them will become known to the public—the names of all of them will be mentioned. Seeking to be unbiased, I cannot disregard this fact.

Nevertheless, my attitude to this problem is ambivalent. In the first place, the amnesty concerned a group of people involved in the events connected with the attempted coup of 1991—people whose actions led to breaking up the country. As for the events of last

September and October, when Russia's Supreme Council was abolished, Moscow was virtually bathed in blood. These two issues should be clearly distinguished.

As for my own attitude, I have always stood for carrying the trial of those who plotted the 1991 coup through, and with maximal openness. Otherwise the country will learn no lesson from that sad experience.

Corr.: Pointing to the need to observe openness in the coverage of the trial, you evidently wish to be absolved from the charges that you were aware of the plotters' plans, and shared their intention to impose a state of emergency in the USSR, as some of the plotters claim?

M.G.: Indeed, during the trial some initiators of the coup came out with such charges against me at the advice of their lawyers. I have repeatedly refuted them, in interviews with journalists also.

Another issue I would like to draw attention to concerns the conduct of Ivan Rybkin (Interfax's note: the chairman of Russia's State Duma). I am not acquainted with him, I have never met him. However my impression is that he is a tactfull and reserved man, who can control his own emotions. I would not say that he is prone to extremism.

I saw Rybkin act rather sharply for the first time precisely when he was upholding the need to grant political amnesty to those who had taken part in the 1991 and 1993 events, which was supported by a majority of Duma members. Some considerations prompted me to conclude that the resoluteness of his actions could be explained by the circumstance that the speaker of the lower house of parliament had settled this issue with Russia's president...

Corr.: But a majority of political analysts do not share this viewpoint.

M.G.: I expressed my own opinion. I believe that the resolution on political amnesty Rybkin was "pushing through" the Duma was too serious not to have been discussed with the Russian president preliminarily. The circumstance that Boris Yeltsin paid no attention to this topic and seemed to distance himself from it when the amnestied were released, while the presidential team reacted to the amnesty as if it were a kind of coup d'etat, must delude no one.

Please believe me, that I cannot get rid of the thought that all these steps had been agreed with the president, since the commission for investigating the October 3-4 events set up under the Duma, and the very trial of those who plotted the 1991 coup, are questions too serious to be resolved without discussing them with the head of state.

I would like to draw attention to the fact that this involves an amnesty, not full pardon. In other words, in legal terms these issues have not been finally settled. No one has cancelled the criminal cases instituted against some defendants and the verdicts pronounced against other participants in the events of August 1991, last May and last September-October. That is amnesty does not signify rehabilitation.

Corr.: But the main thing is that the legal proceedings are stopped, isn't it?

M.G.: No one calls this fact in question. What really matters is this—lawyers believe that not only those who have already been convicted can be granted amnesty. I am a jurist myself, and that is why I believe that this amnesty, which is a constitutional prerogative of the State Duma, spreads to those who are already serving their sentences, to those whose cases are being considered by courts of law, and to those who are under investigation. The amnesty "closes" all these cases.

Therefore the jurists—they even include professors—who maintain that the State Duma resolution is unlawful are not right. In my opinion, from the legal point of view it's hard to describe the resolution issued by the lower house of parliament as faulty.

However the main problem does not lie in this, but in the motives for announcing this amnesty. If its goal was to promote national reconciliation, it can only be welcomed. Russia is on the brink of an abyss now — disintegration is threatening it. Time has come to put all quarrels aside and save the state and the people from discord and strife. This is how the consequences of the civil war in Spain were liquidated under Franco.

In August of 1991 irreparable damage was done to the country—I mean the Soviet Union. The coup affected myself directly. But I place the interests of Russia and Russians above my own, provided that the amnesty will really help to preserve the country's integrity.

But the amnesty will bring only a disaster, if representatives of the Liberal Democratic Party or communists begin to declare that the amnesty is their victory over the democrats, if Russian Choice starts to urge people to take to the streets and call for dissolving the Duma.

However I am an optimist by nature, and I hope that political accord in the country will be gained; at least I wish very much that this would happen. Russia can be saved from disaster only on this condition. But if the conflicting sides begin once again to look for winners and losers and revert to mutual threats, then the chairman of the State Duma's defence committee, Sergey Yushenkov, who said that to adopt that amnesty was a step toward a civil war, will prove to be right.

Corr.: Don't you think that there is a third way to cope with the situation—to hush it up and pretend that nothing important has happened?

M.G.: In my view such manner of behavior would create conditions for continuing to topple presidents, dissolve legislatures and shoot parliaments with impunity. This should be openly explained to the people, since a precedent for disbanding a constitutional organ with impunity must not be created—this would be very bad for the

country and for the Russian people. However I hope that history will put everything in its proper place.

Yeltsin Warning to Amnesty Recipients Noted

LD0303165894 Moscow INTERFAX in English 1612 GMT 3 Mar 94

[From the "Presidential Bulletin" feature No. 43 (533): Reports by Diplomatic Correspondents Dmitriy Voskoboynikov, Igor Porshnev, Vitaliy Trubetskoy and others]

[Text] "Those who have been granted amnesty by the State Duma will be arrested again in accordance with the law if they engage in any activity threatening the Russian state's security," Boris Yeltsin stated on Thursday [3 March] opening a regular meeting of the Security Council.

Observers point to the rigid tone of Boris Yeltsin's statement.

In accordance with the political amnesty resolution, the defendants figuring in the trial over the organizers of last-October's disturbances, among them Aleksandr Rutskoy and Ruslan Khasbulatov, were freed from the Lefortovo jail last Saturday.

Yeltsin said that the crime situation was very serious in Russia and that organized crime had risen to an interregional and international levels. Russian criminals are penetrating into the former Soviet republics and foreign countries, he said.

Yeltsin believes that this is tied to the Russian law enforcement bodies' inefficient work. He said that he attached great importance to the federal program of combating crime for 1994-95 which will be discussed by the Security Council.

"The Russian citizens must be confident that the government can be effective against crime," he said.

IF [INTERFAX] Note: In his February 24th message to parliament the president said that the implementation of measures planned in the program is connected with corresponding financing, which will compel Russia's parliament to take "hard budgetary decisions. No matter how hard the economic situation in the country is, there is a need to do all in human power to satisfy the most urgent financial and material requirements of the law-enforcement agencies," Yeltsin stressed. In his message the president points to the need to dismantle interdepartment barriers and liquidate the legal and organizational confusion in the work of the law-enforcement agencies. He also mentions the need to form in the structure of the Interior Ministry a strictly centralized system of units for combating organized crime, and provide them without delay with the best personnel, equipment and finances.

Federal Council Member Denounces Amnesty

LD0303193194 Moscow ITAR-TASS in English 1704 GMT 3 Mar 94

[By ITAR-TASS correspondent Yekaterina Zhilyakova]

[Text] Moscow March 3 TASS—"If (Josef) Stalin was alive today, he would be also rehabilitated by the State Duma," Yuriy Chernichenko, a member of the Federation Council, said.

Speaking in an interview with ITAR-TASS on Thursday, Chernichenko said that "not crimes have been forgiven but concrete people. Therefore the only goal of that amnesty was to cross out the October tragedy and free their allies."

He believes that the decision on political amnesty has put the country before the danger of new conflicts—"They have released into the streets of Moscow the people who are professionals in staging coups. To hope that they will change for the better would be as silly as to wait for a self-respected wolf to become a vegetarian."

The euphoria of democrats over the adoption of the new Constitution was premature. He said the saying "he cried at the wedding but danced at the funeral" perfectly fits the deputies who voted for the amnesty. Chernichenko explained the political failure by the disintegration of democrats.

It took them several days to decide their position. They voiced their assessment of the State Duma's resolution on amnesty only on March 2 by saying that the amnesty was a well thought-out political provocation, a frontal offensive against democracy, the ultimate goal of which is to bring revenge-seeking forces to power.

Security Council on Yeltsin's Handling of Amnesty

MK0403100094 Moscow SEGODNYA in Russian 4 Mar 94 p 1

[Sergey Parkhomenko report under the "Security" rubric: "President Expects To Profit From Combating Crime"]

[Text] Judging from an INTERFAX report, the scanty audience of observers was greatly impressed by "the harsh tone" in which Boris Yeltsin hurled yet another package of condemnations and warnings at the organizers of two coups who suddenly sneaked away from custody. "If those who have been amnestied by the State Duma decision start any activity jeopardizing the Russian state's security, they will be arrested again in accordance with law," the president said.

Meanwhile, a high-ranking official at the Security Council staff was utterly pessimistic in his comments on the news agency reports: "The time is wrong, the form is wrong, and the effect is also wrong..." Many staffers at the Security Council head office on Ilinka Street are

presently convinced that the presidential advisers' key mistake was that they did not try to draw on the authority of the Security Council, which "has not yet been squandered on petty political showdowns and bickering," to settle the amnesty scandal. Speaking to your SEGODNYA correspondent, a chief of the Security Council staff noted: "If the amnesty-related problems were discussed not at the meeting chaired by Kryzhakov, but at a Security Council meeting, which State Duma representatives could well have been invited to join, the matter could just have ended in a pacifying statement."

Moreover, in the immediate vicinity from the Kremlin they have even been discussing a theory (which, as a matter of fact, appears fairly trustworthy) whereby as early as one week before the scandalous voting at the State Duma took place, Boris Yeltsin received clear signals from the Security Council to the effect that the potential political damage from the amnesty could be minimized only if the president were decisively to regain the initiative by granting a pardon himself. It is doubtful, however, that any of the Security Council chiefs would presently like to confirm the reports. The only reaction they might have drawn would have been irritated remarks about "that die-hard conservative, Lobov, who is always putting his foot in it..."

Be that as it may, the Security Council sees the amnesty story as a thing of the past. This is why yesterday's agenda did not say a single word about it. Instead, it focused on the discussion of the "Russian Federation Federal Program To Step Up the Struggle against Crime."

According to reports from the Security Council staff, the nearly 90-page document was undergoing the third reading in six months. The document's authors, however, pointed out from the outset that the implementation and, most important, the financing of the extremely costly project would be impossible without a political decision made at the top federal level. In accordance with a resolution adopted by the Security Council yesterday, the program must be submitted to the president for definite approval within one week.

The two-year program, in its current form, is estimated to cost slightly more than 4.8 trillion rubles (including around 2 trillion for 1994). The Security Council was careful to emphasize, however, that these figures should be treated only as preliminary estimates: the program is yet to pass a final expert appraisal in the government. Given that the first, "liberal" version of the program was estimated at nearly 15 trillion rubles (it has thus been trimmed by two-thirds within the past six months), further cuts in the proposed subsidies appear fairly likely.

Citing estimates made according to UN methods, the authors claim that all this money should be seen as "investment in a profitable industry," because in two years' time it promises a nearly two-fold yield.

Yeltsin Seen as Key Obstacle to Reform, Democracy

MK0303115094 Moscow MOSKOVSKAYA PRAVDA in Russian 3 Mar 94

[Article by Konstantin Borovoy, chairman of the Economic Freedom Party: "Boris Yeltsin Is the Main Cause of Stagnation in the Russian Economy"—from page 1 of the weekly DELOVAYA SREDA supplement, No. 9]

[Text] Today I am worried the most by the stagnation situation in which we have found ourselves. Or rather a situation which we have brought on ourselves by granting President Yeltsin such unlimited powers. The citizens have ceded him these powers not for his fine looks but to enable him to conduct transformations in society, the national economy and politics, taking counsel with representatives of democratic parties.

Having received this power, however, Yeltsin immediately stopped in his tracks because he thereby accomplished his objective.

At present there are all the makings of stagnation in evidence. Even the president's recent ailment, in my view, also belongs here, not to mention, for instance, such a decision of his as a proposal to postpone elections of administration heads till 1996. What is this if not an attempt to freeze the situation? Stagnation is precisely a situation being frozen. In contrast to democracy, where all ailments are exposed and treated.

Under democracy, officials who, say, have committed crimes are immediately dismissed and the president or any other head of government is obligated to do this because he depends on those who have voted for him, on public opinion, and finally on the mass media.

Boris Yeltsin, however, does not depend on anyone at present. His dependence even on the State Duma can be defined as very insignificant. What is the point of the president's meeting with democratic party leaders and proving to them that he is conducting democratic transformations in the economy and politics? There is absolutely no need for him to do this because the entire power is concentrated in his hands.

This situation is terrible and all that one can rely on now is the president's conscience. Otherwise the consequences of, let us say, the situation being preserved or of one-man rule emerging can be rather explosive. Stagnation can well lead to popular unrest and various actions by political parties.

That Yeltsin is not changing but preserving an extremely hard- line cabinet of ministers which was imposed on him, incapable and unwilling to undertake reform, is probably the most shining sign of stagnation. If we talk of economic transformations in Russia, what on earth does Chernomyrdin or Zaveryukha have to do with this?! All that they and people like them can do is to turn Russian into a Ukraine. This is very dangerous indeed.

A way to resolve our economic problems lies in raising economic effectiveness, creating normal jobs, the abandonment of economic regulation by the state, and stopping subsidies to unprofitable and unwanted enterprises whose needs are growing in proportion to what is being handed out to them all the time. This is a typical pattern of addiction: If six cubic millimeters is given to a drug addict who is accustomed to two cu mm a day, soon two will not be enough.

Economic problems can be resolved only by liberalizing the economy and promoting unrestrained competition. Unfortunately, at present the economy is dominated by the parasitic interests of groups whose representatives are in the government. Moreover, the most incapable representatives of these groups are in the government.

I will start to support Yeltsin only when there is no Chernomyrdin in the government and when there is a reformer at its head. Everything else is empty talk about the need for an efficient economy, advancement, and so forth.

Today I am giving much thought to how Yeltsin will go down in history, how posterity will appraise the present time; and I am almost convinced that he will not be called a reformer. His time will be seen as the time of struggle by reformers whom Yeltsin first supported, then opposed.

True, the president has two years in reserve, but the way he has begun to use his remaining tenure shows that my assessment of him can yet become even more sharply negative.

Security Council Aids Yeltsin's 'Slipping Grasp'

MK0303103094 Moscow KOMMERSANT-DAILY in Russian 3 Mar 94 p 3

[Yevgeniy Fedorov report: "Reorganization of the Security Council. The President Is Looking for a Fulcrum"]

[Text] The role of the Security Council may increase substantially in the near future. Observers do not rule out that this year already this consultative presidential body may rank next to the government and parliament or in some respects even rise above them. That the Security Council is preparing for a new role can be seen from the purge under way there: a special commission is studying cases of leaks, as a result of which the security regime will obviously be tightened. Yesterday, meanwhile, the reorganization of the council apparatus began.

The reorganization itself is a purely apparatus action aimed at limiting the independence of the numerous interdepartmental commissions. To this end the Security Council sectors that ensure its activity are to be placed under the control of Oleg Lobov's deputies. One of the three deputies—General Valeriy Manilov, responsible for preparing council sessions—will apparently become first deputy. Reshuffles in the apparatus deck appear routine only at first sight: This is the Security Council's fifth reorganization over the relatively short time of its existence. Everything depends on who will decide to use the apparatus, how, and for what purpose.

According to information in possession of KOMMERSANT-DAILY, Security Council secretary Oleg Lobov, who has failed to overpower the inveterate economic manager within himself, although he has been close to Boris Yeltsin ever since the Sverdlovsk days, will apparently leave his post and go on a prolonged business trip abroad. According to one version, he will replace Ivan Silayev as Russia's representative to the EC.

Yuriy Baturin, the president's national security adviser, is tipped to be the next Security Council secretary. His confusion in the amnesty situation may have diminished his chances in the public eye. Yet the main criterion for Boris Yeltsin is personal loyalty, and judging by Mr. Baturin's breathtaking career, everything is quite all right here.

Naturally the new Security Council secretary will need some time to establish contacts with the power ministries. But having asserted himself in this post, Mr. Baturin will head an organization more structured than before, cleared of people responsible for information leaks, and permeating practically all spheres of the country's life—from protecting the population's health to defense and security.

Given that the government, which cannot be called pro-presidential by any stretch, is headed by Viktor Chernomyrdin—a man capable of independent moves—while in parliament the president's supporters are in the minority, it becomes clear that Boris Yeltsin urgently needs a structure he can lean on.

A renewed Security Council appears to be the best support with whose assistance Boris Yeltsin can regain his slipping grasp on power without any anti-constitutional moves. Under certain circumstances (it is enough to recall Vladimir Shumeyko's recent slip of the tongue about the need to introduce a state of emergency to fight crime) the Security Council can be placed above the government and parliament as a body coordinating the activity of all branches of power for the sake of national security interests.

Rutskoy Appeals for 'National Reconciliation'

PM0303200094 Moscow PRAVDA in Russian 4 Mar 94 p 1

["Appeal to the People of Russian and to State Duma Deputies" by former Vice President Aleksandr Rutskoy: "There Can Be No Creative Building Without Civil Peace"; place and date not given]

[Text] Civil peace is the great moral and spiritual goal for Russia today. For its sake every politician, social figure, and citizen must renounce personal ambitions and claims to power at any price and moderate his arrogance, which is a sin of destructive force. It is necessary once

and for all to renounce the view that in our society there are two hostile camps, the righteous and the unworthy. We have all been affected differently by defects and shortcomings and we have only one salvation—justice and obedience to the law. It is that striving which will provide the opportunity to convincingly and fully reveal the character of a great nation—determination, energy, will, and morality—because the exalted character of each of us means the exaltation of society and the quality of a great power. That is why we need civil peace.

The people of Russia have always been great in their sober-mindedness and mercy. Hatred of one another and revenge for innocently shed blood can have no place in our society today, much less in the future. Without national reconciliation the country cannot overcome the economic, political, and social chaos. Without civil peace, creation and a decent life are impossible.

Last fall all who were in the House of the Soviets and on the barricades performed their civic and patriotic duty to the end in defense of the new-born parliamentarism, democracy, and the Constitution. Many of them paid the ultimate price—their life—trying to save the honor and dignity of the Russian state and prevent the country's slide into dictatorship. They died victorious and their names have gone down forever in the motherland's history. I grieve deeply for the dead and the maimed who were at the center of the bloody events. I am sure that the fatherland will never forget the steadfastness and courage of the selfless and cruelly slandered defenders of Russian democracy. For my part I shall do everything in my power to perpetuate the shining memory of those who died.

This terrible and tragic time has shown that it is impossible to transgress the state's fundamental law in order to hold on to personal power without dire consequences for the people and the whole country.

I have always consistently supported the observance of the rule of law and I shall solemnly adhere to that principle in the future too. There can be nothing higher than the law, and the law itself and right must never be replaced by might. The country and its citizens must have the opportunity to determine their system and conditions of life themselves and improve the laws by legal means. I cherish the words of the great Russian philosopher Ivan Ilin, who said that "a legal system which denies that opportunity to all or to the broad strata of the people by denying them access to the law is preparing an inevitable revolution for itself."

I submit to the laws of my country and the will of the people's representatives, who adopted the wise decision that is so necessary to us all today—the "Memorandum of Accord" and the amnesty decree. I fully share the provisions of that document and will devote all my efforts to preventing enmity and discord. I agree that each of us must find the inner strength to acknowledge his own mistakes and respond to parliament's good will with a readiness to unite our efforts for the well-being of the long-suffering people and to find a way out of the prolonged crisis as soon as possible.

I consider it my moral duty to state to those irresponsible blabbermouths and dishonorable politicians and journalists who have mounted a shameful and obscene campaign through the mass media, indulging in hysterics and distorting the essence of what happened in September-October 1993: Stop this besmirching of innocent people, exploiting the dead, pinning the blame on others as if theyr were the true culprits in the tragedy, intimidating society with talk of civil war, and attributing to me comments aimed at destabilizing the situation in the country. Think before you inflame hysteria! Is the blood that has been shed really not enough for you?

I appeal to a great people and I call all Russians to civil peace, accord, and creative work.

Shumeyko Advocates Congress for National Accord

LD0403114394 Moscow ITAR-TASS in English 1129 GMT 4 Mar 94

[By ITAR-TASS correspondents Ivan Ivanov and Oleg Velichko]

[Text] Moscow March 4 TASS—Federation Council speaker Vladimir Shumeyko has suggested holding a national congress with a view to working out a concept of national concord.

Speaking at an enlarged meeting of the Russian Government in the Kremlin on Friday [4 March], Shumeyko said "society is no longer held together by nation-wide interests. It gets increasingly differentiated", which exacerbates the crisis in the country.

Shumeyko believes that many a law is not enacted at the local level, "the farther from Moscow, the lesser the enactment." This is caused by the lack of nation-wide interests, which leads to the discreditation of authority, he said.

Emphasising the importance of strengthening authority in the country and restoring order, Shumeyko said the fashioning of a concept of national concord will invigorate authority and contribute to taking the country out of the crisis.

The Federation Council chief is of the opinion that the government now is not in a position to adhere to nation-wide interests because it is being pressured by various lobbyist groups.

New Counterintelligence Chief Sets Priorities

MK0403105094 Moscow SEGODNYA in Russian 4 Mar 94 p 1

[Aleksandr Kudakayev report in the "Appointment" column: "The New Counterintelligence Chief Will Fight the Mafia"]

[Text] The Russian Federation president's press service has reported the appointment of Sergey Stepashin, 42, as director of the Russian Federation Federal Counterintelligence Service [FCS]. Earlier, until Nikolay Golushko's resignation this week, Stepashin had held the post of FCS first deputy director. Informed sources say that there were also other candidates for the post of new director. But, the sources said, the other aspirants "have opted out."

The FCS press service issued a brief statement by the new FCS chief. Among his department's priorities he mentioned work "to expose, prevent, and curb intelligence-subversive activity by foreign special services and organizations, and illegal encroachments on Russia's constitutional system, sovereignty, territorial integrity, and defense capability." Sergey Stepashin is convinced that the Russian president needs "strong and effective special services."

According to Mr. Stepashin, there are plans to hold an all-Russian conference of territorial counterintelligence chiefs in March which will consider concrete measures and define optimal forms of FCS activity. In an interview with INTERFAX he said that yesterday's Russian Federation Security Council session, which examined the federal program to fight organized crime in 1994-1995, specified the FCS' tasks in the area of combating corruption, including in the upper echelons of power. Therefore this Russian special service has retained the functions of countering criminals inside the country, which earlier belonged to the ministry, without confining itself only to fighting the external threat. At least for the time being there are no plans for another reorganization of the FCS.

Stepashin, Sergey Vadimovich

Was born on 2 March 1952 in the city of Port Arthur (PRC). In 1973 he graduated from the USSR Internal Affairs Ministry's Higher Political School, and in 1981 from the V.I. Lenin Military Political Academy. Candidate of history (he defended his dissertation in 1986; subject: "Party Direction of Fire Fighting Formations."

In 1990 he was deputy chief of the political history department at the USSR Internal Affairs Ministry's Higher Political School (Leningrad). From 1990 to 1993, people's deputy of the Russian Federation (member of the Left Center—Cooperation faction and the Army Reform group). From 1991 to 1993, chairman of the Russian Federation Supreme Soviet's Defense and Security Committee.

In 1992, Russian Federation deputy security minister. In 1993, first deputy security minister of the Russian Federation; in 1993-1994, FCS first deputy director. He quit the CPSU on 19 August 1991. Lieutenant-general.

Counterintelligence Reshuffle Rumors Dismissed

LD0303174994 Moscow ITAR-TASS World Service in Russian 1725 GMT 3 Mar 94

[Text] Moscow, 3 Mar (ITAR-TASS)—Rumors which have appeared lately in some media sources, to the effect that the Federal Counterintelligence Service is going to be reorganized again, have nothing to do with reality, an informant close to the Russian president's administration told an ITAR-TASS correspondent today.

He expressed his concern over the fact that, in conditions when a campaign has been unleashed in the United States around the Ames affair, the publishing of such reports serves in the final analysis the unseemly purpose of misleading the public, exerting a psychological pressure on the staff of counterintelligence bodies, and paralyzing their activities.

Military & Space Issues

Grachev May Reduce Armed Forces by 400,000

LD0303145794

[Editorial Report] Moscow Russian Television Network in Russian at 1725 GMT on 2 March 1994 broadcasts a report from the "Details" program presented by Nikolay Svanidze, which deals with the economy. He says the miners stopped their strike yesterday. Tomorrow, at the Presidium of the Council of Ministers, the Russian State Budget for the current year is to be approved. Then it will be sent for ratification by the State Duma. These two events are linked together. The miners are waiting to see what the budget will do for them.

State Duma Deputy Yegor Gaydar is interviewed by Svanidze. He speaks of the problem of non-payment of wages. He says that the higher the non-payments, the greater the expectation that the government will pay.

Economy Minister Aleksandr Shokhin says one should not make promises one cannot keep, but promises that are now on a par with obligations should be kept.

Gaydar says the workers are, after all, also suppliers—suppliers of labor. They have fulfilled their obligations and they should be paid. The management of the enterprises have not fulfilled theirs. The miners are not people who are holding a knife at the throat of the government to press for an increase in pay. They are asking reasonable questions—about the need to investigate the effectiveness of the use of funds for subsidizing the coal industry, they are asking to what extent these funds are going to maintain the commercial structures being set up in the corporations.

"Are they sitting in high-interest accounts and the deposits of joint enterprises?" they are asking, Gaydar says. Svanidze asks how much is being stolen, and Gaydar says much is being stolen.

Shokhin says the government should explain what policy it is pursuing and the limited resources of the budget should be targetted very accurately. He says that if we provide enough funds for the coal industry we should ensure continued work without the stoppages we have had of late.

Finance Minister Sergey Dubinin, interviewed in an office, says, leafing through a book: "Our proposals are very tough. This document is the draft budget, which is to be examined by the Government presidium tomorrow."

"We must finance ourselves from a relatively safe point of view as regards inflation," Dubinin says. "We are convinced that the pursuance of such a budget will enable us to lower the inflation index to the level of, at any rate less that 10 percent a month at the end of the year."

Asked whether 3 or 5 is out of the question, Dubinin says why not, if we can collect more taxes than we have been counting on—we do not collect anything like 100 percent and America collects 80 percent—then we will be able to lower the budget deficit and count on lowering inflation.

If we were using shock therapy we could reduce inflation in two or three months, but it is a question of socioeconomic cho'ce. We are not prepared to try the shock option. Finally, Dubinin says he can recommend the budget to the government.

In this "Details" program dealing with the economy, the announcer Nikolay Svanidze, says: "Incidentally, about the budget—'Details' has information that the military budget, which is being proposed, has been received at the Ministry of Defense as being below par. Grachev has stated that in order to stick to it he will have to dismiss about 400,000 servicemen. He, Grachev, can take that step but does not vouch for the consequences."

Premier Rules Out Canceling Military Benefits

LD0303222194 Moscow Radio Rossii Network in Russian 1700 GMT 3 Mar 94

[Text] The Russian Government is not intending to cancel servicemen's benefits. The Finance Ministry's proposal that budgetary allocations for the requirements of the military department be reduced is an attempt to stir up the country and make the Government quarrel with the Army. According to RIA, this was stated today by Prime Minister Viktor Chernomyrdin. He said it had been a matter of a private initiative on the part of the Finance Ministry. However, the prime minister noted, the Finance Ministry does not itself decide anything. The prime minister gave the assurance that the financing of the Defense Ministry this year will remain at last year's level.

As reported previously, the letter containing the Finance Ministry's proposals about reducing the benefits of servicemen, officers, generals, and military pensioners, which was sent to the Defense Ministry, evoked sharp dissatisfaction.

Progress M-17 Spacecraft Burns Up

LD0303172694 Moscow ITAR-TASS World Service in Russian 1045 GMT 3 Mar 94

[Text] Moscow, 3 Mar (ITAR-TASS)—An ITAR-TASS correspondent reports from Flight Control Centre that Durability tests of the automatic "Progress M-17" spacecraft, which spent 11 months in near Earth orbit, have ended. Today the craft ended its life on re-entering the dense atmospheric layers.

Mir Cosmonauts Continue Experiments

LD0403115094 Moscow ITAR-TASS in English 1059 GMT 4 Mar 94

[Text] Flight Control Centre (Moscow Region) March 4 TASS—Russian cosmonauts aboard the Mir space station continued geophysical, astrophysical and technological experiments as well as medical research during another workweek ending on Friday.

They carried out on Thursday a test starting assigned for the station's orientation. The unit was assembled atop a 14-meter metal boom which was secured on the kvant module by the crew of the 12th main expedition.

Doctor Valeriy Polyakov will undergo a medical checkup today under the supervision of the flight engineer. Viktor Afanasyev and Yuriy Usachev will check up equipment assigned for distance control of the Soyuz TM spaceship.

Medical checkups conducted over the past few days show that the cosmonauts are healthy and feel well.

Federal Assembly

Rybkin Says State Duma Will Not Control Press

LD0303192094 Moscow ITAR-TASS in English 1548 GMT 3 Mar 94

[By ITAR-TASS correspondent Tamara Ivanova]

[Text] Moscow March 3 TASS—Russian State Duma Chairman Ivan Rybkin said the house has no "intentions to manage and command the press."

Speaking at a meeting with editors-in-chief of leading Russian periodicals in Moscow on Thursday [3 March], Rybkin said the state Duma will support the mass media and free it from "the pressure of strict economic censorship."

He suggested setting up a working group to draw up a draft law on the operation of mass media in 1994-1995. Rybkin believes the group should include Pavel Gusev,

editor-in-chief of MOSKOVSKIY KOMSOMOLETS, Igor Golembiovsky, editor-in-chief of IZVESTIYA, Shod Muladzhanov and representatives of news agencies and television and radio companies.

The participants in the meeting blamed the current difficulties on the monopoly of the Ministry of Communications and the impossibility for the employees of publishing houses to privatise their enterprises.

Gusev, who is also chairman of the Moscow Union of Journalists, called for urgent changes in the system of state financing of publications and creation of equal conditions for their survival.

Rybkin said the draft law on mass media in 1994-1995 which should help the press pull through the current crisis is expected to be discussed by the State Duma at the end of April.

Chairman Views Goals of State Duma Defense Committee

OW0403111594 Moscow Russian Television and Dubl Networks in Russian 0156 GMT 20 Feb 94

[Interview with S.N. Yushenkov, chairman of the State Duma Committee for Defense, by unidentified correspondent; place and date not given; from the "Aty-Baty" program—recorded]

[Text] [Correspondent] Your committee is composed of representatives from various factions; do you think that you will be successful in coming to positive decisions with such a mix?

[Yushenkov] We all have one aim—legislative support of reliable Russian defense. In this sense, I think that by building on reality and Russian practices and traditions we will be able to work out mutually acceptable decisions.

We must realistically address the situation which has developed. The situation is such that troops, the army in general, [pauses, changes thought] many army units are stationed outside the borders of the Russian Federation and are participating in such things as peacekeeping duties. Whether I, or others, like it or not, it is a fact. Servicemen serving abroad need legislation to feel that they are really protected in the social and legal sense.

[Correspondent] Will you comment on the work of the commission appointed to investigate the events of 3-4 October, 1993.

[Yushenkov] As a former member of a similar commission appointed to investigate the events of 19-21 August, I remember its activities well. Regardless of the fact the Supreme Soviet in the past had more authority and opportunity than the present State Duma, the decisions of that commission did not have any significant influence on the processes going on in society. In fact, they did not avert the repeat of the putsch. I am coming to believe that these types of commissions—when there is an investigation and the State Duma has no clearly prescribed role in the investigation—cannot undertake, adopt, or in any way influence what happens in society.

[Correspondent] Sergey Nikolayevich, the former Supreme Soviet and old committees, such as the one you served on, adopted quite a number of good laws in principle. Officers are still writing to us about the law on the status of servicemen, in particular, but the problem lies in the fact that these rather good laws are not being implemented.

[Yushenkov] If they are not being implemented that means they are not very good. There are two reasons why laws do not work: Either they do not conform to the existing realities in society—the real state of affairs—or they lack a mechanism for their implementation. We have already started a careful inventory of all ineffectual laws, separate clauses, and statutes to determine the reason why such regulations do not work. We will strive to either abolish the regulation, make it conform to reality, or structure a mechanism for its implementation.

[Correspondent] I understand.

[Yushenkov] The issue which you raised earlier even now has great significance, the essence of which is that we need to clearly define the type of army we want to build.

Regional Affairs

Rostov Oblast Postpones Local Elections to 12 Jun

PM0403115194 Moscow ROSSIYSKAYA GAZETA in Russian 4 Mar 94 First Edition p 2

[Vladimir Udachin report: "We Will Go to The Polls 12 June"]

[Text] Krasnodar—The Krasnodar Kray Administration, in view of an explanation from the Central Electoral Commission on the possibility of holding simultaneous elections to the kray legislative assembly and organs of local self-government, has decided to hold these elections on the same day, scheduling them for 12 June.

There has been a mixed reaction among the Kuban public to the transfer of the legislative assembly elections from 3 April to 12 June. The kray organization of the "25 April Alliance" party is inclined to see in this some kind of behind-the-scenes games by the Kray Administration and a desire on its part to forestall political opponents in a bid to get its own people into the representative organs of power. The kray organization of the Agrarian Party of Russia expects 12 June to be the final date for the elections, and intends to hold visiting sessions in a number of rayons where it intends to define strategy and tactics for the election campaign.

The local organization of the Republican Party believes that the postponement of the elections will open the way for conducting the election campaign without haste. For the elections, the "Republicans" have decided to register as the "Yabloko" sociopolitical association, which, apart from them, will include the Association for the Defense of Consumer Rights, "Memorial," the Association of Repressed Peoples, the "Entrepreneurs for a New Russia" Association, and "Solidarity," the Kuban association of shareholders. Mikhail Veligodksiy, chairman of the Republican Party kray organization, believes that the Kray Administration made a mistake by inserting into the statute on elections an amendment on the need to collect 3 percent of signatures in order to nominate a candidate in a district. This is three times as many as under the old version. The task of collecting 2,000-3,000 signatures in today's conditions is highly complex. But the elections are set, and, one way or another, the candidate deputies for the kray legislative assembly must submit voters' signatures in support of them before the electoral commission will register them.

Buryat Supreme Soviet Adopts New Constitution

PM0403120394 Moscow ROSSIYSKAYA GAZETA in Russian 4 Mar 94 First Edition p 3

[Unattributed report from "SIBIRYAKI" newspaper feature]

[Text] The Buryat Supreme Soviet has unanimously adopted the republic's new Constitution by a roll-call vote.

According to the provisions of the Fundamental Law Buryatia is henceforth a sovereign democratic rule-of-law state within the Russian Federation. And the relations of its organs of power with the federal authorities are built on a constitutional-treaty basis. The new system for Buryatia's state structure provides for the post of president, who is the head of the republic and its executive power, and also for the existence of a parliament—the People's Khural—as a representative and legislative organ.

Before elections to the new organs of power in accordance with transitional provisions the powers of the republic's existing Supreme Soviet and Council of Ministers are retained.

Komi Republic To Retain Supreme Soviet

PM0303144194 Moscow ROSSIYSKIYE VESTI in Russian 3 Mar 94 p 2

[Tatyana Borisevich report: "Republic of Komi Constitution: Soviets Remain"]

[Text] The Republic of Komi has adopted a new Constitution. Unlike the Russian Constitution, the Republic of Komi's Constitution was adopted not by referendum but at a session of the Supreme Soviet. The republic is remaining Soviet because the legislative organ will be called the State Soviet. The Constitution introduces a new concept—the "head of the republic" ["glava respubliki"]. The drafters of the Constitution rejected the term "president" in the belief that there should be only one president in Russia. Furthermore, in the referendum the republic's population indirectly opposed the post of president. The new Komi Constitution envisages private ownership of land and a state guarantee of free medical aid and proclaims two state languages on the republic's territory—Komi and Russian.

St. Petersburg Politician Arrested for Murder

PM0203115794 Moscow IZVESTIYA in Russian 2 Mar 94 p 1

[Yevgeniy Solomenko report: "Chairman of Russian Party's St. Petersburg Branch Detained on Suspicion of Murder"]

[Text] St. Petersburg—Staffers from the Federal Counterintelligence Service's St. Petersburg Administration Service for Combating Terrorism, in conjunction with officials from the Criminal Investigation Department, have arrested four residents of St. Petersburg including Nikolay Bondarik, chairman of the St. Petersburg branch of the Russian Party, who is running for election to the City Assembly from the "Great Russia" bloc. The detainees are suspected of premeditated murder.

All four are members of the Russian Party. Firearms were discovered at their homes and workplaces, and these have been confiscated.

Nikolay Bondarik is an advocate of Hitlerite ideas. He stated: "The global task facing the Russian Party is to create a single racial area from the Atlantic to the Pacific Ocean.... Why not set up...reservations for the Yakuts and the Uzbeks? Likewise, a national park for Jews will be set up in Birobidzhan, where our children will go for days out, to have a look."

This scandalous piece of news may have a noticeable impact on the disposition of political forces in St. Petersburg on the eve of the elections to its City Assembly. How will the "Great Russia" bloc (which comprises the St. Petersburg branches of the Russian Party, the Russian National Alliance, and the Russian National Assembly) behave now? How will the Russian Party itself react to what has happened? For now, its supporters intend to picket the building of the St. Petersburg Main Internal Affairs Administration.

Coolant Leaks at Kola Nuclear Power Station

LD0403035994 Moscow Radio Rossii Network in Russian 0300 GMT 4 Mar 94

[Text] A coolant leakage occurred at the Kola nuclear power station on Thursday evening. The incident has a rating of zero on the international scale.

Leakage Problem Rectified

LD0403060594 Moscow ITAR-TASS in English 0549 GMT 4 Mar 94

[Text] Moscow March 4 TASS—There was a leak of a heat-transfer agent in the first circuit of the reactor set of power unit No. 2 of the Kola nuclear power station at 20.52 [1752 GMT] on March 3. The unit had been shut down for repairs. The leak was rectified at 21.20 [1820 GMT], the press centre of the Rosenergoatom Company reported.

The radiological safety setting at the station and on the surrounding territory is normal. According to the Ines international scale, the incident was rated at zero level.

Situation at Kursk AES Causes Safety Fears

LD0303210494 Moscow Radio Rossii Network in Russian 1900 GMT 3 Mar 94

[Text] The wave of strikes has now arrived in the always calm and patient Kursk Oblast. Vadim Simonenko reports.

[Simonenko] I am holding in my hand a copy of the protocol issued by a joint sitting of the trade union and the council of the collective of Kursk AES [nuclear electric power station]. There is only one issue on the agenda—the financial and economic state of emergency at Kursk AES. The power station has failed to receive over 85 billion rubles for electricity already supplied to customers.

Because of the shortage of money it has become impossible to ensure the normal technological process and safety procedures. The collective of the AES has not been receiving its wages since December 1993, and the staff of the directorate for the construction of Kursk AES has had no money since November 1993. The situation is seen as being on the verge of a social explosion.

The collective of the AES has demanded that money collected by the Russian Federation Government from customers should be remitted and the wages for December, January, and February be paid. If these demands are not fulfilled it has been decided that the collective of the AES will be called upon to stage a hunger strike, and the elections to the oblast duma should be boycotted. However, the main thing here is that the workforce is prepared to cut the output of the AES generating sets to a level which only satisfies the needs of the town of Kurchatov, where the staff and the builders of the AES live. They are also prepared to eventually disconnect the electricity supply line. The inhabitants of Kursk are very worried with the state of affairs at the AES, since the distance from the power station to the oblast center is only around 30 kms.

International Affairs

IZVESTIYA Comments on Kravchuk's U.S. Visit

PM0303120994 Moscow IZVESTIYA in Russian 3 Mar 94 p 2

[Report by Maria Starozhitskaya of UNIAN specially for IZVESTIYA, under "Events and Comments" rubric: "Ukrainian President Flies Off to United States Offended at His Compatriots"]

[Text] Kiev—In his last appearance on television before his visit to the United States, Leonid Kravchuk clearly explained to the electorate the reasons why he has decided not to participate in the presidential elections scheduled for 26 June.

From what he said, because of the great probability of a second or even third round of parliamentary elections and the unformed state of the government, even if he does participate in the elections, anarchy is inevitable. "I have been driven into a corner: I have either to throw everything away and enter the elections, or display responsibility and not take this step," he said. "There is also another moral aspect. Like all of us, at school and after school I studied the lives of other presidents, but I have never come across such sordid, uncultured, and overt campaign of persecution of a head of state as many people both inside and outside parliament, as well as in the Ukrainian mass media, are taking the liberty of conducting. It is a historic phenomenon for such a boorish attitude toward the first president to become established in the consciousness of generations: In human terms I cannot and do not want to understand it."

The first wave of impartial comments about the president's step—from "Has Kravchuk Gotten Cold Feet?" to "The Main Thing Is Getting Out at the Right Time" (I cite the republic press headlines)—has already poured forth. Socialist Party chief Aleksandr Moroz deemed Kravchuk's decision politically correct—inasmuch as, according to him, the president has practically no chance of success at the elections. Rukh leader Vyacheslav Chornovil has described Kravchuk's step as a tactical one aimed at disrupting the presidential elections for the sake of prolonging his own powers.

"I don't know why the president's nerve has failed him: Even if he was not thinking of running, he should have announced this a month or two before the elections, and not now, on the eve of his trip to the United States. How will he speak with Clinton?"—the question posed by Democratic Party chief Vladimir Yavorivskiy remains rhetorical at the moment.

However, the possibility of an imminent change of head of state was not envisaged during preparations for Kravchuk's 3-7 March visit to the United States. At an advance meeting with the Ukrainian diaspora, Bill Clinton said that the program of the visit should be put together in such a way as to promote the strengthening of Kravchuk's prestige at home to the maximum degree.

"Whereas before the United States was only interested in the withdrawal of nuclear weapons from Ukraine, now it is also interested in full-scale cooperation and aid in the face of the economic crisis," Anton Buteyko, the Ukrainian president's adviser on international questions, said. Therefore, the main aim of the present visit is specifically to move relations between our countries to a new level and to sign agreements on investment, trade, and economic relations, cooperation in the sphere of conversion and space research, and on a specific mechanism for granting disarmament assistance. Ukraine and the United States can and should develop their ties independently of relations with Russia.

However desirable it may be not to depend on these relations, such attention to Ukraine on the part of a Bill Clinton who just two months ago did not want to visit Kiev can be explained by the good intentions of obtaining a strong, peaceful, and obedient Ukraine as a counterbalance to the unstable and unpredictable Russia—especially after the amnesty and the hijacking of the U.S. initiative in settling the Bosnian conflict.

As for the Ukrainian president, the problem of the Treaty on the Non-Proliferation of Nuclear Weapons, which remains unsigned by Ukraine, will inevitably arise during his visit to the United States—the last session of the present parliament is already over, while the new elections are being called into question, as Kravchuk has already convinced us. Perhaps the only thing that remains for the president to do in the United States is to declare himself the guarantor of the implementation of earlier promises—inasmuch as during the above-described period of autocracy in Ukraine (roughly April-June) it will be possible both to sign the treaty and start the removal of weapons in accordance with the agreed plan for reducing offensive armaments. Then it will be possible not to renounce participation in the presidential elections—the voice of Bill Clinton, who has taken the Ukrainian citizens' fancy, will be able to decide their outcome. Particularly since the reciprocal sympathy of the U.S. president is backed up in material terms: The most significant result of Kravchuk's visit will be credits and payments to Ukraine by the IMF and the World Bank.

Beginning of Visit Reported

WS0403105994 Kiev Ukrayinske Radio First Program Network in Ukrainian 0600 GMT 4 Mar 94

[Report by Anatoliy Tabachenko]

[Excerpts] On 3 March at 1600, an airplane with a Ukrainian delegation on board landed at Andrews Air Force Base in the vicinity of the U.S. capital. The Ukrainian president was met by U.S. officials, Ukrainian Ambassador to the United States Oleh Bilorus, and representatives of the Ukrainian Diaspora. Later, special helicopters transported the Ukrainian delegation to a

square near the White House, from where they went on to Blair House. [passage omitted]

In accordance with the program for the first day of the visit, the Ukrainian president met with Senators Paul Simon and Harris (Owford). During a conversation with representatives of the legislative branch, Leonid Kravchuk put particular emphasis on the complex issues that Ukraine is facing currently and outlined ways for further development of cooperation between our countries. In the evening, an official reception was held at the Ukrainian Embassy in Washington, on the occasion of the official visit to the United States by President Leonid Kravchuk.

On 4 March, a meeting between Leonid Kravchuk and Bill Clinton is planned. It is expected that a package of important documents will be signed, which will introduce a new path in strengthening economic and political relations between Ukraine and the United States. The political willingness of the leaders of both countries' to extend our experience from cooperation in the military-political sphere to economic, trade, and scientific-technical cooperation, is a positive sign of the current status of U.S.-Ukrainian relations. The legal basis for this cooperation is to be established by appropriate interstate agreements.

To Meet Clinton, Sign Accords

LD0403105594 Moscow ITAR-TASS in English 0829 GMT 4 Mar 94

[By ITAR-TASS correspondent Igor Borisenko]

[Text] Washington March 4 TASS—President Leonid Kravchuk of Ukraine arrived here on Thursday for an official visit. He plans to have meetings with President Bill Clinton, Vice President Albert Gore, the secretaries of defence, the treasury and commerce, congressional leaders, the management of the World Bank and the International Monetary Fund and members of the business community.

A treaty between Ukraine and the United States on the encouragement and mutual protection of investments and a convention between the governments of the two countries on the prevention of double taxation and of tax evasions on income and capital taxes are to be signed during the visit.

The two governments are also to sign an agreement on cooperation in science and technology and the Defence Ministries will sign an agreement on additional assistance in eliminating strategic nuclear weapons and preventing the proliferation of weapons of mass destruction.

A wide range of matters of mutual interest are expected to be discussed, a State Department spokesman who requested anonymity told ITAR-TASS. He did not rule out the possibility that regional security issues as well as Ukrainian-Russian relations would be discussed during the visit.

"The principal aim of the visit is to broaden U.S.-Ukrainian economic and trade contacts," Dmitriy Markov, counsellor at the Ukrainian Embassy in the U.S., told ITAR-TASS. "We are also interested in discussing defence conversion matters with the U.S. side," he added.

President Kravchuk and members of the American business community will discuss possibilities for capital investments in the Ukrainian economy, Sheila O'Creal, spokeswoman for the overseas private investment corporation, told ITAR-TASS.

A press release circulated by the corporation in view of the Ukrainian president's visit points out that Ukraine is now in a critically important stage of transition to a market economy and may become an important market for Western investors.

Nuclear Missiles To Be Withdrawn Early Mar

LD0303121394 Moscow Mayak Radio Network in Russian 0800 GMT 3 Mar 94

[Text] A high-ranking Russian military man has reported in an interview with INTERFAX that the withdrawal to Russia of the first part of the strategic missiles located on the territory of Ukraine is expected in the first ten days of March. According to him, this batch will consist of sixty military units. The person interviewed by the correspondent of the INTERFAX agency expressed satisfaction with the fact that Moscow and Kiev have found a political way to resolve this problem. He stressed that the delay in withdrawing the missiles is explained by the fact that the necessary documents for the withdrawal of this specific cargo had not been drawn up.

Reports Premature

LD0403150994 Moscow INTERFAX in English 1418 GMT 4 Mar 94

[Text] The Ukrainian embassy in Moscow issued a statement on Friday describing as premature a report saying the first batch of nuclear warheads had arrived from Ukraine to be dismantled in Russia. The statement follows media reports from the past two days which quoted Ukrainian Ambassador Volodymyr Krzhanitskiy as saying "the first trainload of nuclear warheads has already arrived in Russia from Ukraine."

The embassy said the only thing the ambassador mentioned in recent interviews was that "plans are under way to transfer missile units for subsequent destruction in Russia."

The statement describes media reports about the "first trainload of warheads" as an attempt at rushing things.

Moscow Halts Nuclear Fuel Delivery to Kiev

LD0303195594 Moscow INTERFAX in English 1854 GMT 3 Mar 94

[Text] Russia has delivered no nuclear fuel for Ukrainian nuclear power stations since the time Ukraine, Russia and the U.S.A. signed an agreement in Moscow. First Deputy Chairman of the Ukrainian State Committee on Nuclear Power Nur Nigmatullin told Interfax-Ukraine that the document was supposed to be supplemented by inter-governmental agreements. "They have been drafted and are under discussion but the deliveries will not arrive until the agreements are signed," Nigmatullin explained.

The fuel will be supplied at a price of $600,000 to $700,000 per fuel element for VVER-1000 reactors as compensation for warheads that will be sent to Russia for destruction. The Ukrainian nuclear power stations need 550 elements a year.

Nigmatullin said that the fuel supplied as compensation will last three to four years. "At the moment the Ukrainian nuclear power stations have a supply of fuel until May of June 1994," he added.

Government on Gas Supply Measures

LD0303182394 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 3 Mar 94

[Text] Many representatives of Ukrainian and foreign mass media have lately been inquiring at the Cabinet of Ministers of Ukraine about the situation that is of interest to them, concerning the supply of gas to Ukraine and the export of it to European countries.

The press service of the cabinet of ministers reports that due to reductions in gas deliveries to Ukraine from its main suppliers, these matters at present are safely under the supervision of the government. On 2 March, in particular, it was decided to use gas more rationally, which would make it possible to reduce considerably the consumption of gas by the national economy. This will allow Ukraine to perform its obligations in a stable manner in respect of the transit of gas across its territory and will ensure the blue fuel is supplied to European countries in full.

The government at the same time is taking steps to resolve relations with gas exporters and resume its deliveries to Ukraine at the level determined by interstate agreements.

Ukraine, Bulgaria Sign Documents on Ties

LD0203191494 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 2 Mar 94

[Text] The signing of a protocol on exchanging ratification documents of the treaty on friendly relations and cooperation between Ukraine and the Republic of Bulgaria took place at Ukraine's Ministry of Foreign Affairs on 2 March. The treaty was signed in Sofia on 5 October 1992. Valentyn Lipatov, deputy minister of foreign affairs, signed the protocol for Ukraine, and Petur Markov, Bulgaria's ambassador extraordinary and plenipotentiary, signed it for Bulgaria.

Plyushch, German Envoy Discuss Nuclear Issue

LD0303182294 Kiev UT-1 Television Network in Ukrainian 1700 GMT 3 Mar 94

[Text] Ivan Plyushch, chairman of Ukraine's Supreme Council, today received Dr. Alexander Arnot, ambassador extraordinary and plenipotentiary of the Federal Republic of Germany to Ukraine, at the latter's request.

A frank and constructive conversation took place, the main subjects of which were Ukraine's further steps along the path of nuclear disarmament and the upcoming elections. Ivan Stepanovych Plyushch also today met Luis Mareno, ambassador of the Commission of the European Communities to Ukraine. The two discussed ways of strengthening relations between our state and the European Union.

Hungarian Envoy: Ruthenians Are Ukrainian Affair

LD0303143194 Kiev UNIAR in Ukrainian 2230 GMT 2 Mar 94

[Text] Kiev, 2 Mar—Mykola Makarevych, first deputy foreign minister of Ukraine, received Istvan Varga, ambassador extraordinary and plenipotentiary of Hungary. During a conversation, the Hungarian ambassador said in particular that the Hungarian Government does not recognize the so-called Ruthenian "shadow government" and regards the question of the recognition of Ruthenians as an independent nationality as a Ukrainian internal affair. The ambassador stressed that certain assessments and views with regard to the "Ruthenian" question that appear in some of Hungary's mass media do not always coincide with the government's position.

National Affairs

Crimean President Rejects Kiev Decree

PM0303131194 Moscow IZVESTIYA in Russian 3 Mar 94 p 1

[Nikolay Semena report: "Crimean President's Press Service Deems Ukrainian Supreme Council's Decree Unlawful"]

[Text] Simferopol—"From a legal point of view, the Ukrainian Supreme Council decree on the status of the autonomous Republic of Crimea does not stand up to criticism," the statement made by the Crimean president's press service, which has been circulated, says. The press service cites the legal findings of Pavel Yefgrafov,

head of the Crimean Supreme Soviet State-Legal Department, which note that "in view of the internal discrepancy between the Ukrainian Constitution and legislation, it is extremely difficult to bring the Constitution and legislation of the Republic of Crimea into line with them." The press service has accused the Ukrainian Supreme Council of attempting to take even limited sovereignty away from the Republic of Crimea.

Military 'Staggered' by Crimean's Remark

LD0303171894 Moscow INTERFAX in English 1354 GMT 3 Mar 94

[Text] According to the Ukrainian Defense Ministry's Press Service, the Ukrainian military is staggered by the Crimean President Yuriy Meshkov's remark that Ukraine has introduced troops into the Crimea in violation of its legislation. In an earlier exclusive interview with INTERFAX, Meshkov made it clear that the Crimean naval forces are strong enough to defend this peninsula on the Black Sea.

As the press-service noted, "Since responsibilities for national defense rest with the country's president and defense minister and since the Crimea is, although autonomous, also an integral part of the Ukraine, it is exclusively within the competence of Ukraine's president to discuss Ukrainian troop withdrawal from the Crimea."

"Meshkov is not a military man, and therefore cannot assess the defense sufficiency of southern Ukraine," the press service noted.

Kravchuk on Elections, Ties With Russia, Crimea

AU0303132994 Kiev HOLOS UKRAYINY in Ukrainian 1 Mar 94 pp 1, 2

[Report by Ihor Hrushko: "Five Questions for the President"]

[Text] Last Friday [25 Feb], speaking with journalists, [Ukrainian President] L. Kravchuk confirmed he would not take part in the June presidential elections. Because he believes that an extremely complicated situation may take shape, when, even after a second round of parliamentary elections, the parliament will not be plenipotentiary due to the election of an incomplete Supreme Council. As a result, it will not be able to form a government. If, at the same time, the acting head of state starts an election campaign and also elections to local organs of executive power are conducted, then a total collapse of power in the country may become imminent with unpredictable consequences. Thus, out of the two possible variants—to abandon everything and proceed to presidential elections, or, showing responsibility for the situation in the country, not to do so—L. Kravchuk opted for the latter.

Even though Leonid Makarovych [Kravchuk] stated that political considerations had been the main ones in his decision, one should not rule out moral aspects either. "In no other country of the world will you hear such dirty slander, remarks unworthy of cultured people, and provocations with regard to the person of president, as I hear both within the walls of our parliament and outside it," said L. Kravchuk.

Is it possible that he will revise his decision? Even though the president did not give a straightforward answer, he remarked that the decision depends upon many factors. In particular, it depends on the election of a plenipotentiary parliament and the formation by the latter of a new government. It is also necessary, stressed L. Kravchuk, to determine what president will be elected and with what powers. Unless we do this, there again will be a power struggle between the legislative and executive power structures. In Leonid Makarovych's opinion, the same must be done with regard to the heads of local power structures. Even prior to elections, the candidates must know their rights and duties. For this, it is necessary to adopt a special law.

"Many of your political opponents see Ukraine's economic difficulties in its course toward independence and demand that all ties with Russia be restored and that the 'Belarusian variant' be introduced in our country. What do you think of this?," a HOLOS UKRAYINY correspondent asked L. Kravchuk.

The restoration of all ties, believes the president, will mean the return to or restoration of the Soviet Union, because the old structure of industry will remain unchanged. Today, this is absurd. Even [Russian President] B. Yeltsin pointed out in a recent speech before parliament that Russia must produce everything the Russians need. The same applies to Ukraine and the whole of the CIS. In other words, while building states and new economic structures, it is necessary to create a common market of the CIS countries and to resolve, in a coordinated manner, both economic and political questions. L. Kravchuk did not support the idea of introducing the "Belarusian variant" in Ukraine. Even if Russia had agreed to introduce a ruble zone in our country, stressed Kravchuk, it would have demanded such concessions as would totally eliminate our political and economic independence.

What is the president's attitude toward the idea of Ukraine's federalization? In answering this question, L. Kravchuk pointed out that, historically, a unitary state took shape in our country. That is why, there is no sense in deliberately dividing it into federative lands. On the other hand, he stressed, Ukrainian regions must have extensive independence in questions of budget, administration of state property, and so on. Speaking about the Crimea, the president considers the 1990 decision on granting the peninsula the status of autonomy was correct.

"If that had not been done," said L. Kravchuk, emphasizing that it was the first time that he had spoken so openly about it, "in 1990, there existed a real threat that the Supreme Council of the former USSR would adopt a

decision on separating the Crimea from Ukraine. Today, the situation is different. Especially after signing the Tripartite Statement, in accordance with which both the United States and Russia made a commitment to respect Ukraine's territorial integrity. As regards relations with the present Crimean leadership, it is necessary, believes Leonid Makarovych, to proceed along the road of mutual understanding, and not confrontation. At the same time, he stated, any actions aimed at separating the Crimea will be regarded as illegal with corresponding consequences. This crucial political issue must be taken into account by the Crimean authorities.

At the journalists' request, the president also expressed his opinion on problems of privatization in Ukraine and our society's emergence from the crisis.

At the end of the meeting, L. Kravchuk called upon all citizens of Ukraine to take part in elections. In his opinion, we must not allow chaos to prevail. Because it is a road toward conflicts and confrontations.

Presidential Adviser Views Crimean Issue

WS0303170094 Kiev KYYIVSKA PRAVDA in Ukrainian 25 Feb 94 p 1,2

[Interview with Mykola Mykhalchenko, chief of the presidential service for issues of domestic policy, by Yu. Nepomnyashcha; place and date not given: "There Is a Problem With Crimea, Yet, It Is Not in Meshkov"]

[Text] [Nepomnyashcha] Before the Crimean elections, [Ukrainian President] Leonid Kravchuk said that the problem is not whether there will be a president, but what powers he will have. Today, when a month has already passed since the election of Yuriy Meshkov as [Crimean] president, do you think that there still is a problem with the Crimea?

[Mykhalchenko] There is a problem, but it is an objective one, and it does not depend on who is in power there—[Crimean Supreme Council Chairman Mykola] Bahrov or Meshkov. In general, the problem with Crimea is not who is the leader—the speaker or the president—but what social forces are active on the peninsula. We see that pro-Russian forces are very active there. Moreover, their activities are aimed at separation from Ukraine. This is the problem.

These activities, however, are doomed to failure. Nobody in the world claims that the documents according to which the Crimea was handed over to Ukraine were illegal. The Crimea is an integral part of our territory. Not only Ukraine but also all of Europe will base its position on this fact.

Perhaps this position is also convenient for Russia, because if it acts differently, it will position itself in a very inconvenient situation. In such a case, Germany will have a reason to address the issue of East Prussia, currently Kaliningrad Oblast. The issue of Kuril Islands and other territories, which were acquired by Russia in the 20th century, may also be addressed more sharply. This problem is like an iceberg.

Yuriy Meshkov will undoubtedly define his strategy and tactics soon. Russia has been supporting him in his activities so far. However, when he went to Russia already as the president, neither the Russian president nor the prime minister, nor even a deputy prime minister, received him. This was very symptomatic. Russia understands that the Crimea is an autonomous body in the composition of Ukraine, and it should be treated as an autonomous republic. Regarding Crimea's cooperation with the CIS and other Western or Eastern countries, the Ukrainian leadership has never been against that. Such cooperation can be conducted directly, however, only within the competence available for the Crimea. The issues of foreign relations, borders, customs houses, and so on, fall under the competence of the central government.

[Nepomnyashcha] Yuriy Meshkov goes to Russia and, according to him, agrees to put the Russian ruble into circulation in the Crimea. Does the leader of the autonomous republic have the right to do that?

[Mykhalchenko] In this case, his wishes are presented as reality. First of all, at a meeting between both presidents—Kravchuk and Meshkov—when the latter addressed this issue, Kravchuk did not respond positively. The issue was submitted for consideration by a working group. Second, Russia will never put its ruble into circulation without approval from the central Ukrainian Government, because this would be a financial aggression. In general, even if there are two currencies in the Crimea, this will not be really bad for Ukraine. The consequences will be worse for Russia, because it will expose itself to the blow of inflation, opening a free path for its currency to sneak away.

[Nepomnyashcha] Who will repay the loans that the Crimean president wants to negotiate currently?

[Mykhalchenko] If the loans are granted without the central government's approval, Ukraine will not take any responsibility for them. I have recently had a conversation with an official of the European Bank of Cooperation, who said that his company will not grant the $100 million in the form of a loan for building hotels, etc., unless there is the approval of the Kiev government. If the central government acts as a guarantor of the loan, it will not allow it to be wasted. Those who will obtain any loans without Kiev's guarantees will be responsible for repaying them.

[Nepomnyashcha] In other words, these will be private loans...

[Mykhalchenko] Yes.

[Nepomnyashcha] Is the Ukrainian leadership going to put the following emphasis in its policy: The peninsula wanted to get a president, and it has received one. The president has promised a lot in his election campaign,

and this means that he should implement this now. Thus, the responsibility of the Crimean authorities for living conditions must increase now?

[Mykhalchenko] We could follow this reasoning, particularly, taking into account the fact that 50 percent of the Crimean budget is composed of central government subsidies. We could say: If you do not want to cooperate with us, we will not give you any subsidies. I know, however, that the central government will never put strong pressure on the Crimea to bring it to its knees. We understand that the people who live there need energy and housing, and that local enterprises need assistance. The subsidies have therefore been preserved. The Crimean government, however, should not forget that it is able to secure the life of the peninsula only half way. A situation when subsidies are coming from the center but revenues are left home is inadmissible. The Crimea should also pay taxes, contribute to the pension fund, etc.

[Nepomnyashcha] How do you assess the fact that Yuriy Meshkov has invited Yevhen Saburov, one of Silayev's deputies in a former Russian Government, to assume the office of Crimean prime minister?

[Mykhalchenko] Since I personally know Saburov very well, I do not see any revolt here. Such a practice is known throughout the world. There is one judicial problem however. Ukrainian legislation regarding state service says that state offices can be held only by Ukrainian citizens. Yevhen Saburov was born in Yalta, and if he wanted to receive Ukrainian citizenship, there would be no obstacles. This would be beneficial for the Crimea, because he is a top level economist.

[Nepomnyashcha] Meshkov's viewpoint regarding the Black Sea Fleet is essentially different than the opinions of official Kiev. What will become of the fleet in such a case?

[Mykhalchenko] It will become what it is to become, regardless of Meshkov. This is not his competence, but that of the central Russian and Ukrainian Governments. During his meeting with Meshkov, Kravchuk said that although the Crimean government will attend the negotiations on the Black Sea Fleet, the decision will be made by the Ukrainian and Russian Governments and presidents, as provided for by agreements. The position of the Crimean government is purely consultative.

[Nepomnyashcha] Does the Crimean Constitution fall in line with the Ukrainian one currently?

[Mykhalchenko] No. In many cases it does not. I would not like to provide these examples, because this issue is currently being examined by the parliament, which will make it completely clear. I will only say that the Crimean Constitution must be brought in line with the Ukrainian one. There is no other way.

[Nepomnyashcha] What if there is resistance?

[Mykhalchenko] The power of law should be applied. The Ukrainian Constitution is superior with regard to the Crimean one, and the minority should be subordinated to the majority.

[Nepomnyashcha] It is easy to say that the power of law must be applied. What if it will be impossible to do this legally?

[Mykhalchenko] Other powers should be exercised then, to ensure that Ukrainian laws are effective. I believe, however, that certain reasonable circles will be found in the Crimea, which will understand that resistance has no future. Otherwise, they will have to take responsibility for the fate of the people.

There is another issue in the Crimea however, which is to be defined in both the Ukrainian and Crimean Constitutions. There are indigenous people in the Crimea—the Crimean Tatars—and their status should be defined in the Crimean Constitution. I believe that this territorial autonomy can be gradually transformed into nationally-territorial one, the constitution of which will denote that the Crimean Tatars are its indigenous people. Otherwise, all international organizations will see there violation of the rights of a native people.

[Nepomnyashcha] On 1 December [1991] during the referendum, the majority of people in Sevastopol voted in favor of Ukrainian independence, which Leonid Kravchuk used to emphasize. Recently, however, the city has voted for other ideals, having supported Yuriy Meshkov.

[Mykhalchenko] At that time, many politicians claimed that if Ukraine separated from Russia, we would live much better. And people believed in this. You probably remember how strong the propaganda was at that time: Everything is being carried away from Ukraine, and therefore, we are hungry and barefoot. But when we begin to live on our own, we will immediately get rich, our bellies will be full, and we will be well clad. Later, instead of conducting structural reform of the economy, we began our tug of war. Meanwhile, the crisis deepened, and living conditions declined, by the way, also in Russia. Now, people believe that it was better when we lived together, and when we became independent, it got worse. The point, however, is not the independence, but that we should move forward instead of remaining in the same place, or even worse, going back.

Belarus

Foreign Minister, German Counterpart Sign Pacts

WS0303195894 Minsk Radio Minsk Network in Belarusian 1815 GMT 3 Mar 94

[From the "Postfactum Radio" feature]

[Text] Belarusian Foreign Minister Petr Kravchanka, who is currently in Bonn on an official visit, has held negotiations with German Foreign Minister Klaus Kinkel. An agreement on cultural cooperation and a memorandum on cooperation in reducing the consequences of the Chernobyl accident were signed.

Progress of Constitutional Debate, Vote Reported

PM0203134194 Moscow IZVESTIYA in Russian 2 Mar 94 p 2

[Aleksandr Starikevich report: "Parliament Prevents Shushkevich from Speaking"]

[Text] Minsk—One of the most important tasks facing the 13th Belarusian Supreme Soviet Session which resumed last week is the adoption of the republic's new Basic Law.

Until recently, the constitutional process in Belarus has been sluggish. The situation changed drastically when the ruling circles began to realize that the only way out of the existing situation was to introduce a presidential form of rule via the adoption of a new constitution.

Up until now, the only obstacle was the disorganization among deputies representing the interests of the nomenklatura. When a total of only 260 parliamentarians convened for the session, the task of gathering the requisite 230 votes seemed difficult. To resolve this problem, it was decided on the initiative of Gennadiy Kozlov, coordinator of the "Belarus" faction, to hold a staggered ballot on disputed aspects of the draft constitution using personal voting slips. In this way, as many deputies as possible would be given an opportunity to express their views over several days. In addition, this type of ballot affords a measure of control over parliamentarians whose loyalty is in doubt. Previously, "unreliable" deputies, finding themselves in the hall of sessions under the watch of colleagues upon whom they often depend for their position, pressed the right buttons as a rule. But as soon as the matter went as far as a secret ballot through the polling booths, between 20 and 30 parliamentarians from the majority would rebel.

Now they have been deprived of this possibility: The voting process is controlled entirely.

To simplify the task considerably, the deputies are adopting the consitution in whole chapters, each comprising between 10 and 15 articles.

Meanwhile, former Supreme Soviet Speaker Stanislav Shushkevich has completed his country vacation. A series of meetings with voters, as well as participation in the consultative conference of patriotic-democratic forces, prompt the conclusion that Shushkevich does not intend to leave politics. In the current situation, he will rely primarily on the bloc of democratic parties which gravitate toward the center. They in turn are keen to cooperate with Shushkevich whom they consider a realistic contender for the post of president at future elections.

As members of the Tellers' Commission told IZVESTIYA's correspondent, as of 1000 hours 1 March, 245 deputies had answered "yes" to the questions on the voting slip. And one more thing. An unprecedented incident occured: During his address to the session under the "Any Other Business" section, Stanislav Shushkevich's microphone was cut off after he said: "You only want seats here because your are simply not fit for any other job."

Supreme Soviet Adopts Article of Constitution

WS0303155994 Minsk Radio Minsk Network in Belarusian 1300 GMT 3 Mar 94

[Report by Mikhail Rudkowski]

[Text] Today at the Supreme Soviet session, as usual, people's deputies, devoted half an hour to addresses on miscellaneous topics on the agenda. Next, a discussion on the new draft constitution was resumed. In particular, the discussion focused on the status of the official language in the Republic of Belarus. The deputies adopted an article of the draft constitution, which provides Belarusian with the status of the official language, while Russian is confirmed as the language of interethnic intercourse [mizhnatsyyanalnyya znosiny].

Following the discussion, the deputies adopted Article 40 of the draft constitution, which provides the citizens of the Republic of Belarus with a guarantee of the right to work—the most dignified way of man's self-realization—that is, the right to choose a profession, job, and employment in accordance with personal ability, education, and vocational training as well as with due regard to social needs; it also includes the right to healthy and secure working conditions.

The deputies also adopted Article 66 of the draft constitution, which stipulates the election procedure in our state, as well as Article 73 concerning a referendum in the Republic. A referendum, reads this article, shall be organized by the Supreme Soviet of the Republic of Belarus following a request by the Republic's president or by a body of no less than 450,000 citizens eligible to vote. Today's session proceedings positively resolved the question of changes and amendments to the basic law of our state.

One more deputy chairman of the Supreme Soviet was also elected today. This honor was extended to People's Deputy Uladzimir Vasilyevich Rusakevich, deputy head

of the executive committee of the Brest council of people's deputies. The session will be resumed at 1600 [1400 GMT].

Supreme Soviet Session Adjourned Until 15 Mar

WS0403122194 Minsk Radio Minsk Network in Belarusian 1100 GMT 4 Mar 94

[Excerpt] [Passage omitted] After the addresses in the miscellaneous section on the Supreme Soviet agenda, the people's deputies registered themselves. There were 267 deputies at the morning session. Following a short debate, they began to discuss certain articles of the Constitution as well as amendments and supplements. Deputies' questions were answered by republic's Attorney General Vasil Shaladonaw.

After a short break, the parliament resumed its work. However, it turned out that the number of people's deputies significantly dropped after the break. Due to this, the session was adjourned until 15 March.

Supsov Deputies Trying To Muzzle Media

PM0303160194 Moscow IZVESTIYA in Russian 3 Mar 94 p 2

[Aleksandr Starikevich report: "Belarusian Parliament Actively Dislikes IZVESTIYA and Ostankino"]

[Text] Minsk—A monopoly on news is one of the most typical characteristics of a totalitarian state. The Belarusian authorities, which have created a powerful propaganda apparatus based on the republic publications which depend on them, are now trying to dictate their will to foreign mass media.

Representatives of the nomenklatura are expressing, directly from the Supreme Soviet rostrum, their dissatisfaction with the fact that some people's opinions differ from the official line about events and processes occurring in the Republic. Last week Valeriy Tikhinya, former secretary of the Communist Party of Belarus Central Committee and currently one of the leaders of the Belarusian pro-Communist people's movement, stated that certain mass media are covering events occurring in our republic today in a distorted and biased way. This primarily applies to materials published in NARKONAYA GAZETA, ROSSIYSKAYA GAZETA, and IZVESTIYA, and to the Ostankino television channel news.... This type of article, he believes, plays into the hands of right-wing extremist and nationalistic forces, and is aimed at destabilizing the situation in the republic.

As always in such cases, there were no specific complaints made against the mass media. They are biased, and that is that. One is amazed by the aplomb used in a speech by a man about whom the ordinary citizens expressed their attitude back in August 1991. At that time, indignation about his behavior was so great that it overflowed into not entirely decorous forms: When Tikhinya left the square outside Government House he had literally been spat upon.

His thankless task was continued by Belarusian Parliament Speaker Mechyslaw Hryb. Speaking at the 1 March session, he accused the SVOBODA and IZVESTIYA newspapers of compromising him as an individual and particularly as Supreme Soviet chairman.

Hryb assured everyone that the rumors about him are entirely unfounded. At the same time, he not only did not cite any evidence disproving them, but he did not even indicate what exactly he was talking about. Or is it that everything that is written about the speaker by newspapers which are not subordinate to him does not correspond to reality?

It is indicative that 20 minutes before giving this speech, Hryb switched off the microphone used by his predecessor Stanislav Shushkevich, accusing him of insulting the people's deputies. What was this about? It was about the fact that the former chairman of the Supreme Soviet dared to remind his colleagues about the promise to hold early parliamentary elections in March 1994. Thus it is not only the journalists' mouths they are trying to close.

Such speeches would be the strictly personal affair of the people making them if it were not for two circumstances. First of all, these are people invested with power and called upon to observe certain standards of decency. Second, these statements are periodically alternated with threats to refuse the accreditation of objectionable foreign mass media and, as it happens, the Belarusian Foreign Ministry is dealing with accreditations right now. Meanwhile, behind the scenes in the Supreme Soviet, reports are being actively circulated to the effect that a group of deputies intends to address to the Foreign Ministry a message about the expediency of giving accreditation to IZVESTIYA and the Ostankino Television Broadcasting Company. If this happens, the people's representatives will primarily put themselves in a ridiculous position. But the initiators of the planned message are apparently not too worried about this: To make up for it, no one will get in the way of their reviving a communist state.

MOLDOVA

Electorate Voted for 'Memories of the Past'

AU0203205094 Chisinau BASAPRESS in English 2015 GMT 1 Mar 94

[Text] Chisinau BASAPRESS, 1/3/1994—In spite of deficiencies of the Law on Elections, of infringements committed by officials representing governing parties and even by CEC [Central Electoral Commission], of the TV monopoly in conditions of a free press which is only at its birth, elections in Moldova can be called, compared with the last ones, democratic, asserts Anastasia Afanasieva in the weekly DNYEVNIY EXPRESS. More

than 5,000 representatives of various parties and social-political movements, as well as 134 foreign observers from the Council of Europe, CSCE and other organizations have followed them. "Will these elections approach us to a real democracy?" wonders the author, estimating that the electorate had voiced for "memories of the past." Speculative political declarations on the independence of Moldova, national problems, the cynical game with "Russian-speakers" and pensioners gave the expected results—the victory of agrarians and socialists, Afanasieva asserts. Forecasting an eventual evolution of social-political events, the quoted source states that the opposition does not haste to "take part in a coalition government," and neither do agrarians want to share the power with them. According to the author, the new parliament will stick in political problems—the Constitution, Dniester, the south. Under economical aspect, realizing that reforms cannot be avoided, the Agrarian Democratic Party of Moldova (PDAM) and socialists have striven for power in order to "direct the chaotic motion towards a free market, which the premier and president proudly call reforms, into their own pockets." The scandal between agrarians and the Privatization Department did not mean at all that PDAM is against privatization, it rather dislikes that this process does not belong to it. Eventual quarrels can occur between agrarians, socialists and social-democrats only concerning the destination of preferential credits. From the opposition's point of view, we should be happy: "The more definite is the victory, the sooner the unsolvability of winners will manifest," the authors concludes.

IZVESTIYA Views Parliamentary Elections

PM0203161394 Moscow IZVESTIYA in Russian 2 Mar 94 p 3

[Svetlana Gamova report: "Moldova Does Not Want Unification With Romania. This Is How the Results of the Parliamentary Elections Can Be Interpreted"]

[Text] Chisinau—The initial results of the elections in Moldova provide a basis for forecasting the upcoming 6 March national poll on unification with Romania. The defeat for the People's Front clearly reflects the population's failure to countenance the slogan of unification with Romania. Even at this stage, it can be said that victory has been won by supporters of the republic's independence.

Some 42 percent of the votes went to the Agrarian-Democratic Party, while the left-wing bloc embracing the socialists and the "Unity" movement received 25 percent, with just 6 percent of voters favoring the People's Front alliance. Petru Lucinschi, chairman of the old parliament who ran for the agrarians, expressed the conviction that the Agrarian-Democratic Party will win the right to form a new government. The majority of seats in the new parliament will go to the agrarians and left-wing parties. The People's Front, together with the "Peasants and Intelligentsia" bloc which is standing on its platform, can expect one-fifth of the deputies' mandates at best.

If victory for the agrarians was wholly predictable, the information received from the southern regions, which declared their intention to vote just two weeks before the elections, came as a shock. Having boycotted Moldovan political life for over three years, this region, which is densely populated by Gagauz and Bulgars, demonstrated by far the greatest zealousness. Around 90 percent of voters went to the polls. By expressing confidence in the republic's new parliament in advance, the Gagauz are hoping, having obtained President Snegur's word, to draw attention to the fate of their region in the opening days of session. If the status of the south is again evaded by the deputies, the Gagauz will return to their original demand for an autonomous republic.

However, the majority won by the agrarians and socialists in the new parliament in practice nullifies this outcome. A real basis for resolving the problem of the Dniester region will emerge.

The agrarian region's population expressed a preference not for the party of the same name but for the socialists. The left-wing bloc represents the ethnic minorities most broadly. Given that, in terms of candidate profiles the other parties are in fact mono-ethnic, then it is not surprising that the Gagauz, the Bulgars, and the Russian-speaking population from the central part of Moldova cast their votes in favor of this bloc. Nevertheless, owing to the Dniester region's nonparticipation in the elections, the ethnic profile of the republic (35 percent of whose inhabitants are not Moldovan) will not be reflected in the new legislative organ.

Simultaneously with the poll on the status of Moldova, there will be a referendum in the south inviting the population to decide whether it agrees that the southern regions should develop as an autonomous national-territorial formation within Moldova. An affirmative response depends directly upon the final disposition of forces in the new parliament.

Kyrgyzstan

Russian Officials Visit for Talks on Military Issues

LD0303173994 Moscow ITAR-TASS in English 1155 GMT 3 Mar 94

[By ITAR-TASS correspondent Boris Maynayev]

[Text] Bishkek March 3 TASS—Russian and Kyrgyz Defence Ministry officials are discussing problems relating to their nationals serving with each other's armed forces. Technical and consumer goods supplies, and accommodation to Russian troops stationed in Kyrgyzstan and military transport across the territories of the two countries are also on the agenda of the negotiations in which the Russian delegation led by Colonel-General Stanislav Petrov, Kyrgyz Defence Minister Lieutenant-General Myrkazan Subanov and Russian Ambassador to Kyrgyzstan Mikhail Romanov are participating.

The programme of the Russian delegation visit which is due to run through March 5 includes meetings with the republic's prime minister and high-ranking presidential staff officials.

Draft Treaties on Personnel Signed

LD0403101794 Moscow ITAR-TASS in English 1005 GMT 4 Mar 94

[By ITAR-TASS correspondent Boris Mainayev]

[Text] Bishkek March 4 TASS—Two draft military cooperation treaties between Russia and Kyrgyzstan were intitialled in Bishkek today.

The first draft treaty relates to military service of Russian citizens in the Armed Forces of Kyrgyzstan. The treaty will be effective until December 31, 1999. In compliance with this treaty, Russian citizens, serving in the army of Kyrgyzstan, will retain all priviliges envisaged by the Russian law. After a Russian officer retires, the Ministry of Defence of the Republic of Kyrgyzstan will be obliged to purchase him with living accommodation in Russia (not including Moscow and St. Petrersburg).

The second draft treaty is about military service by officers, warrant officers and extended-service men. Armed forces personnel belonging to these categories will be allowed to serve until December 31, 1994, provided they sign a contract about their unhindered transfer from one army to the other.

The draft documents were initialled by head of the Russian Defence Ministry's department Colonel-General Stanislav Petrov and Kyrgyzstan's Minister of Defence Lt. General Myrzakan Subanov.

Uzbekistan

Adamishin in Tashkent, Talks With Leaders

OW0403032294 Moscow Ostankino Television First Channel and Orbita Networks in Russian 1945 GMT 2 Mar 94

[Shakhnoza Ganiyeva report over video from Tashkent, including recorded interview with Anatoliy Adamishin, Russian deputy minister of foreign affairs; from the "Utro" program]

[Text] The situation on the southern borders of the CIS countries, and primarily on the Tajik-Afghan border, is cause for concern among many world politicians. Our correspondent Shakhnoza Ganiyeva reports on the efforts of Russia and Uzbekistan in the peaceful settlement of this conflict.

[Ganiyeva] Anatoliy Adamishin, Russian deputy minister of foreign affairs, has arrived in Tashkent for a short visit. After a series of meetings with leaders of the foreign policy department of Uzbekistan he departed for Dushanbe. Before his visit to Tajikistan, during an interview for viewers of this morning program, Anatoliy Adamishin said that Russia pays very serious attention to what is happening in this region, particularly on the Tajik-Afghan border where the collective peacekeeping forces are deployed today.

You will recall that according to an agreement existing between Russia and Uzbekistan on cooperation regarding certain international issues, these two countries are exerting every effort in order to ease by political means the tense situation on the Tajik-Afghan border, which in fact is the southern border of the CIS countries.

[Begin Adamishin recording] Well, generally this is not a very easy task, and of course it is not close—not close—but it seems to me that gradually we are nevertheless moving towards this matter, maybe not as fast as we would like. Presently the most realistic option for talks are talks which can be held under the sponsorship of the United Nations, under the UN Secretary General's special representative Piris-Ballon. There is an agreement in this regard both with the government of Tajikistan and with the Tajik opposition. We are now talking about selecting a venue for these talks.

It is our shared view with the Uzbek government and the Tajik government too, to begin these talks as soon as possible and finally determine what we will talk about. But unfortunately the Afghan groups are interfering in this matter. The fundamentalist and extremist forces of several Muslim countries are interfering in this. Of course, if this factor of external interference were removed I think the Tajiks would more easily find a common language with one another. [end recording]

Peace talks are the only possible and realistic choice. If goodwill is demonstrated by both sides this could remove the tension along the border, or at least alleviate it.

Karimov Speaks About Results Visit to Russia

LD0303215394 Moscow Ostankino Television First Channel Network in Russian 1800 GMT 3 Mar 94

[Report over video by correspondent Aleksandr Shkirando, including recorded remarks by Uzbek President Islam Karimov on recent visit to Russia, date and place not given; from the "Novosti" newscast]

[Text] [Shkirando] It is rather difficult to say something specific about the results of a visit by the Uzbek president which has just ended, especially as on the eve of the visit some kind of nervousness could be felt in Russian-Uzbek relations. This was caused by the issue of protection of the Russian-speaking population and also by the fact that Uzbekistan is, in some way, drawn towards Turkey, Iran and Pakistan. However, the large package of documents signed in Moscow shows that Uzbekistan nevertheless wants closer ties with Russia practically in all spheres.

[Karimov] This is a new step in relations between Russia and those states which were created after the disintegration of the Soviet Union. And I want to say that in this Russia acted honorably.

[Shkirando] The Uzbek leader made some critical remarks concerning some issues, above all economic problems. It seems to me that not only the Russian commercial structures should think about this.

[Karimov] Russia is a great power. It should not lose the markets which it had on the territory of the former Soviet Union. If Russian enterprises do not export their production to these regions, other corporations and companies will come. They are waiting for just one thing—to quietly infiltrate these regions and these markets, and to gain these markets through credits, sometimes credits given on preferential terms. Who in this world would give up their positions voluntarily as far as the markets are concerned?

Armenia

Karabakh Ministry on Latest Azeri Offensive

NC0303154394 Yerevan Armenia's Radio First Program Network in Armenian 1400 GMT 3 Mar 94

[Text] We just received a report noting that, supported by tanks and various types of armored cars, Azerbaijani troops launched an offensive towards Fizuli in the southeastern sector of Karabakh war front at 0515 this morning. They managed to advance.

The Nagorno-Karabakh Republic [NKR] Defense Army press service reported at noon that fierce battles were still continuing in this sector of the front.

The NKR Defense Army command ordered its troops to take the necessary measures to foil the enemy's attacks and recover their former positions.

The NKR Foreign Ministry has stated that all responsibility for the consequences of such actions fully rests with the Azerbaijani side, which is methodically violating the cease-fire agreement achieved through the mediatory efforts of the Russian Defense Ministry.

The Armenian Defense Ministry press service reports that relative calm now prevails on the republic's borders.

Azeri Offensive Repelled; 70 Azeri Soldiers Dead

NC0303211994 Yerevan Armenia's Radio First Program Network in Armenian 2000 GMT 3 Mar 94

[Text] Supported by tanks and other armored vehicles, the Azerbaijani troops launched an attack towards Fizuli in the southeastern sector of Karabakh war front at 0515 this morning. They managed to advance to some distance.

The Nagorno-Karabakh Republic [NKR] Defense Army press service reported that the fierce fighting was still continuing at this front at noon.

The NKR Defense Army command has ordered its troops to take necessary measures to neutralize the enemy's attacks and retake their former positions.

The NKR Foreign Ministry has stated that all the responsibility for the consequences of such actions fully rests with the Azerbaijani side, which is methodically violating the cease-fire agreement achieved through the mediatory efforts of the Russian Defense Ministry.

According to information received this evening, thanks to operations undertaken by the NKR Army, the Karabakh subunits first managed to halt the enemy's advance, and then launched a counterattack in the afternoon and threw the enemy back to his initial positions.

The NKR Defense Army headquarters reported that both sides suffered loses during the battles. According to preliminary reports, four Karabakh defenders were killed and 15 injured. The Azerbaijani side lost 70 soldiers and officers killed. Three enemy armored vehicles were destroyed.

The same source reported at 1800 today that the military operations are still continuing at that sector of the war front.

The Armenian Defense Ministry press service reported that the situation on the Armenian borders have remained calm since last night.

CSCE Minsk Group Chairman Arrives in Stepanakert

NC0303210994 Yerevan SNARK in English 1133 GMT 3 Mar 94

[Text] Stepanakert, March 3. (SNARK)—Today Jan Eliasson, CSCE Minsk Group chairman has arrived to Stepanakert. He is expected to discuss with Nagorno-Karabakh leaders the peaceful settlement of the Karabakh problem. This news was obtained by SNARK from a responsible official in Nagorno-Karabakh Foreign Ministry.

Hopes for Truce Observance Viewed

NC0303211194 Yerevan SNARK in English 1437 GMT 3 Mar 94

[Text] Yerevan, February 3. (SNARK)—By undertaking this morning a large-scale offensive in Nagorno-Karabakh battle, Azerbaijan has threatened the reached cease-fire agreement, told SNARK today Levon Zurabyan, the acting press-secretary of Armenian president.

Meanwhile he expressed a hope that "truce is still possible".

"Karabakh conflict has grown now into a phase when cease-fire has become impossible without disjoining forces", told Zurabyan. He emphasized that presently only Russia is able to send such forces into the region. And it is clear by all evidences that Russia is very resolutely intended this time, he said.

Prime Minister Assesses State of Nation

OW0303210294 Moscow Ostankino Television First Channel and Orbita Networks in Russian 1945 GMT 22 Feb 94

["Mir" Television Company video report from Armenia by reporter Nuna Sarkisyan; from the "Utro" program]

[Text] It was exactly one year in February since the fourth prime minister of independent Armenia assumed his official duties. A Grant Bagratyan news conference was scheduled to coincide with this minor anniversary. [Video shows Grant Bagratyan at news conference] The head of the cabinet took almost an hour and a half to report on work of the cabinet, during which it became clear that in spite of the difficult situation in 1993, the

harsh blockade by both Azerbaijan and Georgia, and the energy crisis, the parameters of national income from industry and agriculture—even when taking into consideration the decline from the previous year—can be considered an accomplishment. Evidently, the fact that prices increased 110-fold while salaries increased by a factor of 3.5 times can also be considered an accomplishment. Living standards decreased by 55 percent. However, this situation undoubtedly has objective reasons: a general crisis in all spheres, military spending, and conversion to a national currency.

Inflation was somewhat slowed and [word indistinct] was somewhat stabilized at the juncture of 1993 and 1994. In a word, we are much better off than we could have been. By the way, Bagratyan held his news conference after his meeting with the Russian prime minister. [Video shows interview with Grant Bagratyan]

[Begin recording] [Bagratyan] The worsening of the situation in Armenia causes a worsening in Russia also, even if on a smaller scale. Each country is dealing with its own problem, but at the same time they are already trying to take notice of each other. This situation will continue for a year or a year and a half. After that, the recreation of the ruble zone will be the task which would, I would say, allow for larger integration. The question facing us now is not integration, but prevention of disintegration. [end recording]

Azerbaijan

Azerbaijani Troops Block Nakichevan Town

LD0403103194 Moscow Ostankino Television First Channel Network in Russian 0600 GMT 4 Mar 94

[From the "Novosti" newscast]

[Text] Azeri military police units on Thursday [3 March] blocked the approaches to the village of Kelaki in Nakhichevan where ex-president Abulfaz Elchibey is staying. Former state secretary [Ali] Karimov told Interfax that armed units of the New Azerbaijan party, which as we know is headed by the current leader President Heydar Aliyev, were also involved in the operation. Karimov said "a punitive operation designed as a reprisal against Abulfaz Elchibey could start any moment now".

Azerbaijani Forces Ready for Ceasefire

LD0303165394 Moscow ITAR-TASS in English 1628 GMT 3 Mar 94

[By AZERTAJ correspondent Gekchekhanum Tagiyeva for TASS]

[Text] Baku March 3 TASS—Azerbaijani Armed Forces are ready to cease fire to allow the diplomats to sit down at a negotiation table to find a peaceful solution to the conflict, the press service of the Azerbaijani Defence Ministry said in a statement on Thursday.

The statement said that "considering the fact of the arrival in Baku of the personal envoy of the Russian president, (Vladimir) Kazimirov, and Deputy Defence Minister (Georgiy) Kondratyev, as well as taking into account the ceasefire agreement in effect since March 1, the leadership of the Azerbaijani Armed Forces has issued an order to all units on the front line to cease fire and ignore provocations."

However, in the first few hours of ceasefire Azerbaijani positions came under intensive artillery shelling which also continued on March 2. "Today large forces of the Armenian Army launched a large-scale offensive supported by armoured vehicles in the southwest of the republic. This jeopardises Russia's mediating efforts," the statement said.

Large Armenian Offensive to Southwest Front Noted

NC0303210894 Baku TURAN in English 1659 GMT 3 Mar 94

[Text] Baku (March 3) TURAN—Early this morning units of the Armenian Army armed with great amount of military hardware launched a large-scale offensive towards south-western section of the front. Earlier the Armenian Army bombarded the positions of the Azeri Army. Military sources told Turan that the Armenian units attack in the direction of Beylagan region centre. Presently the Azeri units try to hold Armenia's attack.

Defense Ministry of the republic confirmed this information. The same source told Turan that today due to violation of the conditions of the truce by Armenia, Azerbaijan Defense Ministry will issue the statement.

Trial on Aliyev Assassination Attempt Begins

NC0303210694 Baku TURAN in English 1659 GMT 3 Mar 94

[Text] Baku (March 3) TURAN—Recent arrests of the leaders of the PFA, Musavat and other opposition organizations testify to violation of democratic principles and freedom of speech in Azerbaijan, says the statement of Independent Democratic Party of Azerbaijan. The statement mentions that the authorities try to conceal military defeats and economic crisis and shift the blame onto a new enemy, opposition.

Opposition Denies Planning 'Military Coup'

LD0303153994 Moscow INTERFAX in English 1354 GMT 3 Mar 94

[Text] The People's Front of Azerbaijan has denied allegations from the interior minister and prosecutor general of planning a military coup on March 5. Those accusations are groundless, Front leaders told Interfax in Baku on Thursday. The National Security Ministry has declined to comment on the statement made by the two government officials.

In the meantime, police searches are under way of the Front's headquarters in Baku, now into their fourth day. The measure comes after the police found military uniforms, ammunition and petrol bombs in the basement of the building.

But deputy Front leader Arif Aliyev said all of this had been deliberately put there to discredit his organization.

People's Front Headquarters Still Held by Police

NC0303210794 Baku TURAN in English 1659 GMT 3 Mar 94

[Text] Baku (March 3) TURAN—Headquarter of the Popular [People's] Front is still under the control of armed policemen. All ins and outs of the building are kept under the control as well. The employees of the PFA [People's Front of Azerbaijan] can not work as they are not allowed to enter the building.

Deputy Chairman of the PFA, Asim Mollazadeh told Turan that "according to the law, after the search the police must leave the building and give us opportunity to perform our duties". According to Mollazadeh, yesterday, the Chief of police of Baku city told First Deputy Chairman of the PFA, Ibragim Ibragimli that not he but the leadership deals with this matter.

Judging by all, the authorities will confiscate the building of the Headquarter of the PFA. This morning there was no metal signboard "Popular Front of Azerbaijan" on the building. Yesterday a high-rank official in the President's staff told Turan that "it was Elchibey who granted the buildings to the PFA and "Azadlyg" newspaper".

Russia To Join Britain in Developing Caspian Oil

PM0303164794 Moscow IZVESTIYA in Russian 3 Mar 94 p 2

[Report by Sergey Leskov: "Against the Wishes of Western Oil Giants, Russia Is Returning to Wells on the Caspian Shelf"]

[Text] The question of developing the Azeri and Shirak fields—the richest on the territory of the former USSR, with reserves of more than 30 million tonnes of oil—was agreed upon at the London meeting between President Geydar Aliyev of Azerbaijan and British Prime Minister John Major. So far it has been announced officially that a significant, 70-percent share in the development will be given to a Western consortium headed by British Petroleum. According to IZVESTIYA's exclusive information, however, the new government of Azerbaijan has confirmed its intention to grant the Russian oil company Lukoil a 12-percent share in the development. Lukoil has also secured approximately 10 percent from that part which now belongs to Azerbaijan.

An agreement to develop the Caspian shelf was earlier concluded with Western firms by the Elchibey government, and at that time no provision was made at all for Russia's participation. In the opinion of observers, the revision of the preliminary accords in Russia's favor attests to an attempt by Geydar Aliyev to enlist the support of his northern neighbor in resolving Azerbaijan's internal problems, including the Karabakh crisis. It cannot be ruled out that Azerbaijan will go still further in its concessions to Russia and will opt for transporting the oil not across Turkey as originally proposed, but through Novorossiysk and the "Friendship" pipeline. The unstable situation in Iranian Kurdistan, across whose territory the oil pipeline proposed by the Western side was to have passed, militates in favor of this decision.

According to preliminary information, another promising deposit at Gyunashlty might be taken away from the Western consortium altogether in favor of Lukoil. The final details of the agreement, which at present is being kept top secret, will be agreed during the 15 March visit to Baku by Lukoil President Vagit Alekperov.

Meanwhile a scandal is developing around a court action brought against Lukoil by the small Liechtenstein company of Frankenburg. The Lukoil leadership believes that the huge $550-million suit for breach of contract with regard to restoring wells in West Siberia has been provoked by Western competitors so as to compromise the Russian oil company at the moment of its entering the world market. In addition to Azerbaijan, Lukoil has penetrated the markets of Tunisia, Egypt, Nigeria, and Trinidad and Tobago. According to recent information received from Lukoil Vice President Leonid Fedun, Frankenburg has spent approximately $300,000-400,000 on a newspaper campaign over its suit. Strange though it may seem, the Estonian press stands out for being particularly active. As L. Fedun said, Frankenburg will endeavor to "fleece" Lukoil of approximately $10 million, but nothing will come of this venture.

To date the Southern District Court of the State of Texas, United States, with which the statement of claim has been lodged, has not accepted it for examination. The development of the court investigation has been hampered for legal reasons, above all. At the time of the conflict in 1992 Lukoil was a state company (the first check auction is only now being scheduled), and under U.S. legislation suits directed by private companies against the state property of other states may not be accepted for examination in the usual manner. Lukoil President Vagit Alekperov calls his former partner's claims ridiculous and expresses doubt that a court at any level will accept the scandalous case for examination.

In the macroeconomic sense the Russian oilmen's emergence onto the world market expresses a change in the strategy of the sector's development. The sales crisis in Russia and the huge nonpayments, which in 1993 exceeded 450 billion rubles for Lukoil alone, essentially leave the company with no other way out. So it cannot be ruled out that Lukoil will channel the considerable credits from Mitsui ($700 million) and the World Bank ($268 million) partly into developing its own business

abroad. But the company's strategic goal of stabilizing Russian oil extraction by 1995 is not yet subject to revision.

Georgia

Prime Minister Departs for Moscow

NC0303210994 Yerevan SNARK in English 1433 GMT 3 Mar 94

[Text] Tbilisi, March 3. (SNARK)—Today the Georgia's Prime-Minister Otar Patsatsia left for Moscow.

The Georgia's Cabinet of Ministries refused to comment this fact to the SNARK reporter.

Ardzinba Seeks UN Deployment in Conflict Zone

LD0303180394 Tbilisi IBERIA in Georgian 1100 GMT 3 Mar 94

[Text] Tbilisi, 3 [Mar]—According to an IBERIA correspondent, the Abkhaz separatists' leader Vladislav Ardzinba in his interview given to Russian radio said that if the UN Security Council adopted a decision on deploying peacekeeping forces on the whole of the Abkhaz territory, the Abkhaz population would resist, even if this function were to be delegated to the Russian Army.

"Peacekeeping forces must be deployed not on the whole of Abkhaz territory, but only in the zone of the conflict, that is, along the Inguri River", said Vladislav Ardzinba. The similar statement was earlier made in Geneva by the leader of the Abkhaz delegation, Sokrat Jinjolia.

Official Cited on Abkhazia, South Ossetia

MK0403104094 Moscow SEGODNYA in Russian 4 Mar 94 p 4

[POSTFACTUM report: "Georgia Ready To Guarantee Autonomous Entities' Rights"]

[Text] Vakhtang Rcheulishvili, vice speaker of Georgia's parliament, leading a parliamentary delegation to Moscow, has stated that the Georgian side appreciates and shares Russia's anxiety over the status of Abkhazia and South Ossetia and is "ready to recognize all the rights that should be guaranteed to the autonomous entities." However, he pointed out, inside the republic there are opponents of such a viewpoint—"political circles advocating only a unitary state, or the granting to Abkhazia and South Ossetia cultural autonomy alone."

Power Supply to Poti Restored

LD0403121894 Tbilisi Radio Tbilisi Network in Georgian 0900 GMT 4 Mar 94

[Text] Mayor of Poti Roman Melia this morning reported that yesterday [3 March], the power supply was restored to the town and as a result, vital installations for both the town and the republic, such as bakeries, the sea port, and mills, started to work.

Estonia

Russia Issues Formal Protest Over Statements

WS0303185794 Tallinn BNS in English 1631 GMT 3 Mar 94

[Text] Tallinn, Mar 03, BNS—The Russian Foreign Ministry on Wednesday [2 March] called in the counselor of the Estonian Embassy, Artur Laast, to deliver to Estonia a protest over recent statements by Estonian officials defined in the protest as "unfriendly" toward Russia.

The director of the 2nd department for Europe at the ministry, Yuriy Fokin, delivered to Laast an oral protest on statements by Estonian officials, and particularly, a speech by Estonian President Lennart Meri in Hamburg on Feb. 25, a representative of the Russian Foreign ministry said in a briefing today.

Moscow characterized as "anti-Russian" Meri's calls on the West not to trust Russia who, the Estonian leader said, is continuing on the path of imperialistic policy, as well as Meri's negative assessment of the activity of Russian peacekeeping forces in the former Yugoslavia. The Russian Foreign Ministry says that Meri's statement about the role of the Russian peacekeeping units, in particular, are aimed against stabilization in the region.

"The biased character of the speech by Lennart Meri on the whole lends proof to the opinion that the Estonian leadership is using every opportunity to add rigidity to its position in the relations with Russia," the Foreign Ministry representative said.

The Russian Foreign Ministry says that such statements by the Estonian head of state, made in a third country, "exceed the limits of generally acknowledged international norms."

The Russian Foreign Ministry in the message delivered to the Estonian diplomat "expressed hope that Tallinn would find strength to stop shifting toward confrontation with Moscow." The Russian Foreign Ministry says that responsibility for the possible effects of such drive wholly lies with the Estonian side.

Russian Official Sees Talk Suspension as 'Time-Out'

WS0303205894 Tallinn BNS in English 1846 GMT 3 Mar 94

[Text] Moscow, Mar 03, BNS—Russia did not call off the negotiations with Estonia but just took a time-out to consider the situation that has emerged, a senior foreign ministry official told BNS in a telephone interview today.

Alexandr Udaltsev, senior official in charge of relations with the Baltics at the Russian Foreign Ministry, said his country had no intention to cause any protraction over determining the date for the next round of negotiations. He said protraction was "not in Russia's interests." The diplomat said his country now had to decide as quickly as possible on how to act.

Udaltsev said Russia might well return to the earlier suggested Aug. 31 deadline for the withdrawal of its troops from Estonia if "the Estonian party abides by the conditions already on several occasions quoted by Russia."

"It is necessary that the Estonian party took into consideration the minimum interests of Russia, and then we will be ready to meet them halfway over the deadlines," he said.

Udaltsev reiterated the importance Russia gives to the issue of its retired military living in Estonia. "We cannot go away leaving them in a state of being let down. We are expected to cut the terms of the troop withdrawal, and Estonia wishes that a considerable deal of these people left together with the troops. This is a prospect we cannot accept," he said.

He said it would be "very sad and shortsighted" if Estonia declared breaking off the talks. He mentioned that "refusing from negotiations is a senseless thing to do in any situation, they must go on and continue under whatever circumstances except for the very extreme ones."

Commenting of the topic of the deadline for the pullout of troops from the Estonian territory, Udaltsev claimed that Russia was "not shifting any deadlines." He said that taking the suggested date of Aug. 31 as a formal deadline was a mistake that emerged largely due the activity of Russia's partners in the talks.

Udaltsev said the delegations since last November had "discussed the possibility to withdraw troops by Aug. 31," and that this had just been a position for the talks. Russia told nobody about it, never took an obligation, the diplomat said, adding that the date existed nowhere in the CSCE and U.N. documents on the issue.

He said there had existed a position for the negotiating process, which was linked to certain circumstances. These circumstances, in his words, have passed by the present moment, and, along with them, the negotiating position passed. "One can return to it and consider it anew," he added.

Udaltsev said Russia under international resolutions had taken the obligation to pull its troops out "quickly, in an organized and orderly manner," and, as the resolutions emphasize, according to the respective agreements. He said these agreements were clearly named in the resolution of a foreign ministers meeting that took place in Rome at the end of last year. These are the agreements on the troop withdrawal, on social security guarantees for retired military, and, he added, also mentioned there is an agreement on the radar station at Skrunda, Latvia. "Our partners must read these resolutions with more

attention and freshen the memory about by whom, where and what kind and obligations were taken," he said.

He reminded that Russia so far had brought only forward the final date for its troop withdrawal—starting from 1999, and finishing with 1994.

Commenting on Estonia's reaction to his own remarks over the recent period, Udaltsev said it seemed to him that Estonia only needed "some kind of pretext." In his words Estonians had understood that they are entering a new round of negotiations without any serious baggage, and, therefore, had decided to make a sensation out of his remarks.

The two countries should not waste their time seeking faults with each other but must simply sit down at a table and seriously look for a compromise, the Russian diplomat concluded.

Deputy Suggests Closed-Door Talks With Moscow

LD0303202294 Moscow INTERFAX in English 1634 GMT 3 Mar 94

[Text] The head of the Estonian parliament's Foreign Affairs Commission has suggested negotiating with Russia behind closed doors in a third country to break what he regards as an impasse in the current Estonian-Russian talks.

Vello Saatpalu told Interfax on Thursday that the last round of negotiations at which Russia said it might go back on the previously proposed deadline for its troop withdrawal from Estonia, had shown the senselessness of further talks on the same lines.

Saatpalu said he was in favor of parliamentary as well as governmental contacts. "The Estonian ambassador to Russia has been given instructions to discuss in Moscow the possibility of a meeting between the parliamentary commissions on foreign affairs," he said.

Saatpalu said he objected to the proposal, made by the Estonian delegation at the last round of talks with Russia, that the two countries take their border dispute to the International Court in The Hague.

He criticized the idea, advocated by some Estonian politicians, that the Estonian-Russian border is immutable since it was established by the Tartu Peace Treaty of 1920 and is formalized by the present Estonian constitution.

"Those who make this assertion are either uneducated or lazy and don't want to read," for the Constitution says Estonia's land frontier is established not only by that document but also by international treaties, he said.

But he rejected any compromise on social security for retired Russian military officers living in Estonia, an issue Russia links to a deadline for its troop withdrawal. "Residence permits can only be issued to elderly pensioners, the rest must leave the country unconditionally," he said.

Luik Continues To View 31 Aug as Valid Deadline

LD0303134294 Tallinn Radio Tallinn Network in Estonian 1000 GMT 3 Mar 94

[Excerpts] Foreign Minister Juri Luik has returned from his visit to Sweden. At Tallinn airport he was asked to comment, among other things, on Estonian-Russian talks.

[Begin Luik recording] [Passage omitted] The Swedish side, the Swedish Government has provided strong support to Estonia and Sweden sees this Russian date of 31 August 1994 (?as a pledge by Russia). This is how the Western countries have understood this date and the Russian side's proposal. There is the intention to emphasize this strongly to the Russian side in front of the international public. The Swedish Government promised to (?get in touch) with other countries' governments to rally support on this issue. [passage omitted]

As far as my comment goes, well, if the other party behaves completely irrationally, the Estonian side has no option but to behave rationally and calmly. The government will meet, of course and decide what to do next. But we will continue to hold the position that 31 August 1994 is in fact [word indistinct] on the Russian side; a promise to this effect has indeed been made. Naturally, the Russian side, should it want to do so, can always withdraw the troops before this date; we have nothing against that. The situation now is that the talks have, in essence, been broken off. [passage omitted: The Russian side was to have put forward a date for the next round but failed to do so] [end recording]

Ministry Counters Russian Claims on Retirees

WS0303172194 Tallinn Ministry of Foreign Affairs Press Release in English 1349 GMT 3 Mar 94

["Press release" from the Estonian Ministry of Foreign Affairs in Tallinn on 3 March]

[Text] March 3, 1994—At a press conference following the 17th round of Estonian-Russian talks in Tallinn March 2, Russian Ambassador Vasiliy Svirin again described Russian military pensioners in Estonia as "mostly old age people," a characterization greatly at odds with reality. Mr. Svirin claimed that a lack of "social guarantees" for retired former Soviet occupation (now Russian) soldiers in Estonia is one reason why the remaining 2,600 active duty troops cannot be withdrawn by Russia.

Although required to withdraw its troops from Estonia "completely and unconditionally," Russia continues to delay and unilaterally to attach conditions. Russia is

demanding that, in addition to providing "social guarantees," Estonia make a very generous gift to its former occupiers by giving Russian military personnel title to the apartments or houses in which they live in Estonia. Russia also demands that Estonia pay $23,000,000 to build housing for the troops being withdrawn from Estonia. This works out to about $10,000 per Russian soldier still in Estonia.

Moscow pays military pensions to 10,570 persons in Estonia. This includes pensioners of the armed forces, the border guard, internal troops and KGB and persons who receive assistance due to loss of income earner. Although under no obligation to do so, Estonia has set up a procedure by which retired Russian military personnel can apply for residence permits in Estonia. Due to obvious national security concerns and the special nature of this category of pensioner, each case must be individually evaluated and decided by the Estonian authorities.

The retired Russian military are surprisingly young. Over 6,000 are under the age of sixty. Of these, over 1,000 are under 50, with 360 of them between the ages of 35 and 45.

Typical Russian military pensioners in Estonia include:
Gennadiy A, age 41. Counterintelligence. Tallinn.
Yuriy R, age 39. Counterintelligence. Tallinn.
Gennadiy G, age 40. Counterintelligence. Tallinn.
Gennadiy S, age 36. Assault paratrooper. Viljandi.
Valeriy S, age 37. Assault paratrooper. Viljandi.
Pavel P, age 37. Counterintelligence. Klooga.
Ivan P, age 46. Counterintelligence. Tallinn.
Vadim K, age 43. Counterintelligence. Tallinn.
Aleksandr J, age 44. Counterintelligence. Tallinn.
Andrey P, age 37. Assault paratrooper. Viljandi.
Sergey S, age 41. Assault paratrooper. Viljandi.
Vladimir K, age 42. Assault paratrooper. Viljandi.

Russian military pensioners in Estonia have formed a War Veteran's Union. The Russian military presence in all its forms in Estonia represents a great threat to Estonia's security and stability. Not only do they harass the local residents, but they are also known to have close connections to criminal elements. Their ready access to weapons and explosives compounds the danger.

Russian Troops Said Security Threat

LD0303172994 Tallinn Radio Tallinn Network in Estonian 1500 GMT 3 Mar 94

[Text] Retired Russian servicemen living in Estonia are surprisingly young and thus constitute a danger to Estonian national security. The Estonian Foreign Ministry has emphasized this in a statement. The document notes that of 10,500 retired Russian military men here, 6,000 are under 60 years of age; over 1,000 are under 50; and 360 men are as young as 35 to 45.

Vasiliy Svirin, the leader of the Russian talks delegation, said at a news conference yesterday that the majority of the retired servicemen are elderly people who must be allowed to end their days in peace. As is known, Russia is refusing to conclude a troop withdrawal agreement if no agreement is signed simultaneously on social guarantees for the retired military men. The Estonian Foreign Ministry notes that Svirin's claim about the retired servicemen's age is not accurate. A typical retired serviceman living in Estonia is a former counterintelligence officer or a paratrooper, aged 36-46, the Foreign Ministry declares in its statement.

The Foreign Ministry stresses that Russian military presence in any form at all is very dangerous for Estonian security. Russian retired servicemen not only generate anxiety for the local population but have also close links with criminal elements, the statement says. The Foreign Ministry adds that despite these circumstances Estonia has introduced a procedure whereby retired servicemen can apply for residence permits. As the issue is very important from the point of view of state security, Estonian officials must process each case on an individual basis. This is what the statement says, according to BNS.

Parliament Official Speaks on Council of Europe

WS0303123994 Tallinn ETA in English 0806 GMT 3 Mar 94

[From "News Bulletin" No. 42/94]

[Text] Vice-chairman of the Riigikogu [parliament] Tunne Kelam returned from a CE [Council of Europe] Parliamentary Assembly bureau session in Paris yesterday and held a news conference.

Kelam announced that the CE political committee report on Estonia's obligation was highly positive and stressed that Estonia had done the maximum possible in the circumstances and time limits. Kelam had also discussed the Russian issue, stressing that Russia's admission must be considered calmly and without any pressure from outside. He referred to a EU council declaration which had stressed the need to admit Russia in the CE as soon as possible.

"I pointed out, among other things, that Russia granted amnesty to the coup organisers, that the positions of the military are constantly strengthening there, and mentioned that Russia is going back on its promise to pull out its troops by August 31," Kelam told the news conference.

Meri Leaves on 'Working Visit' to Switzerland

WS0303193794 Tallinn ETA in English 1546 GMT 3 Mar 94

["News Release"]

[Excerpt] Tallinn, March 3—Estonian President Lennart Meri and his wife Helle Meri on Thursday left for a working visit to Switzerland, the President's office informed ETA.

Meri will meet President Otto Stich and members of the Swiss government. [passage omitted]

Meri Addresses Farmers, Points Out Weaknesses

WS0403110194 Tallinn ETA in English 0812 GMT 4 Mar 94

[From "News Bulletin" No. 43/94]

[Text] President Lennart Meri addressed the Farmers Congress opened in Tartu yesterday. Over 500 delegates and a number of visitors and journalists had convened in the "Vanemuine" Theatre. Director of the Farmers' Central Union Karl Nurm opened the congress, expressing his hope that it will find answers to the current problems of the farmers.

President Meri stressed the role of agriculture in Estonia's economy and the current problems. He compared the present situation with the War of Independence and pointed out that the rear of the country is weak for three reasons: the land is still owned by the state, there is no definite idea of future development and a mistaken idea of Estonia as a poor state is spreading. Estonia is a wealthy country thanks to its farmers, Meri stressed, criticising the development experts who offer expensive and impractical solutions: "itinerant preachers who sell banalities rather than bananas."

He called the farmers to seek for solutions instead of culprits and stressed the need for unity and cooperation. "I hope that the return of the 140,000 prewar farms to their lawful owners will not result in 140,000 lawsuits," the president said.

Prime Minister Mart Laar also addressed the congress, explaining that the restoration of the agriculture will take time. He stressed that the present government has done all it can to accelerate the changes and announced that 30 million kroons are available for long-term credit to farmers. He also asked a number of questions that the congress was expected to answer so that the government could decide on further moves. The government cannot accept a single rich city surrounded by poor rural areas, Laar stressed.

Chairman of the Agricultural Producers Central Union Andres Varik recommended to turn the congress into a permanent body. The congress also discussed the land, ownership and administrative reforms and the social problems.

The congress will continue today.

Laar Notes 'Lagging' Reform

WS0303193994 Tallinn BNS in English 1631 GMT 3 Mar 94

[Text] Tallinn, Mar 03, BNS—Estonian Prime Minister Mart Laar, speaking at the opening of a meeting of the country's farm sector representatives, said reform in the agriculture was lagging behind and that losing time on making only minor improvements was now having its effect on the rural life.

The prime minister said protracting was evident in carrying out reforms in farming. "This has cost much to Estonia. It is the time lost that poses the greatest problem to us," he said.

Laar in his speech said farmers should not count on a quick way to prosperity, as it would take more than a year or two to make up for what has been done to the country's traditional agricultural economy during 50 years of Communist rule.

The prime minister said that his Cabinet when coming to power in 1992 had chosen the path of continuing the reform on the basis of the already existing laws, also trying to improve some of the latter "en route."

Laar said the government expected from the congress proposals on ways to help develop the rural sector, but he also warned that populist measures would lead both Estonia as a country, as well as its rural life to a disaster.

Ministry To Begin Talks on Renting Out Paldiski

WS0203193794 Tallinn BNS in English 1640 GMT 2 Mar 94

[Text] Tallinn, Mar 02, BNS—The Defense Ministry will start negotiations with two companies to rent out the North Port of Paldiski, Tarmo Molder, the ministry deputy chancellor, told BNS. He declined for the time being to disclose the names of the companies.

The details of the lease will be worked out in the course of the talks, Molder said, but the ministry gives top priority to border guard and defense forces' vessels having access to the port.

One of the two companies plans to use the port facilities for trade in groceries, and the range of activities proposed by the other firm is even wider, Molder noted.

The ministry expects to wrap up the deal by March 9. The port will be rented out for a term of three years.

The Tallinna Sadam (Port of Tallinn) company is seeking a good business plan to develop Paldiski's South Port. It has so far received about a dozen projects but as new plans keep coming in the company's administrative board at its recent meeting put off making a decision, General Director Peeter Palu said in an earlier interview with BNS.

The South Port of Paldiski is ice-free round the year.

The projects mostly propose building an oil terminal at the port or using it for export of timber and metal, Palu said.

Neither the Defense Ministry nor the Port of Tallinn is prepared to consider joining the two ports, since one is determined to keep it a naval port and the other regards it as a commercial port.

Latvia

Russian Embassy Protests Over Newspaper Articles

LD0303190594 Moscow ITAR-TASS World Service in Russian 1249 GMT 3 Mar 94

[By ITAR-TASS correspondent Galina Kuchina]

[Text] Riga, 3 Mar—In a note passed to the Latvian Foreign Ministry the Russian Embassy today expressed serious concern over articles in a number of Latvian newspapers.

For several months the newspapers PAVALSTNIEKS and ATMODA have been printing the names of Russian servicemen, members of their families, and well-known personalities in Latvia. Their addresses, telephone numbers, and information of a personal nature are being published. Included in the lists were Vladimir Steshenko, deputy editor of the Russian-language newspaper SM-SEGODNYA; Fedor Shinkarenko, hero of the Soviet Union who liberated Latvia from fascism; Retired General Ivan Kibal, also a hero of the Soviet Union, and many others. These lists are being published under the caption "Our Land Is Groaning Under Their Boots."

The Russian Embassy note stresses that the lists are dominated by Russian citizens whose personal data is being given wide publicity without their knowledge or consent. The information is being published under provocative headlines. The safety of these people is being jeopardized. The embassy considers that such actions by certain Latvian periodicals could lead to unwelcome incidents with unforeseeable consequences. In this event, the note says, the Latvian authorities will have to bear the entire blame. The Russian Federation Embassy expressed the hope that the authorities would take the necessary measures to prevent such a development of events, which could harm Russian-Latvian relations.

Russians Arrive To Discuss Social Security Issues

WS0303193894 Tallinn BNS in English 1631 GMT 3 Mar 94

[Text] Riga, Mar 03, BNS—Russian delegation on talks with Russia experts group, led by Sergejs Zotovs, arrived in Riga Thursday to discuss the draft agreement on Russian military pensioners' social guarantees, the Latvian Cabinet's press center informed BNS.

The Russian experts' group will meet Wednesday [9 March] with Latvian experts at Foreign ministry and the discussions will be continued on Friday, said Edgars Skuja, assistant of Latvian delegation head.

The next round of talks between Latvia and Russia is scheduled for March 14-16 in Moscow.

As BNS already informed, the delegations of both states met in Moscow last week to harmonize the above mentioned draft accord but they did not come to agreement. The draft agreement is one of the documents included in the package of agreements on Russian army withdrawal from Latvia.

Minister of State for Human Rights Appointed

LD0303225994 Riga Radio Riga Network in Latvian 1800 GMT 3 Mar 94

[Text] Today the Saeima appointed Olafs Bruvers, deputy of the Union of Christian Democrats of Latvia in the Saeima, as minister of state for human rights. Bruvers said his main task will be to protect the interests of the state against accusations by other countries of human rights violations in Latvia, as well as to regulate the dialogue between Latvians and non-Latvians, citizens and non-citizens. The minister of state for human rights will also be concerned with the elimination of possible violations of human rights. Bruvers named as important activities the protection of the rights of children and women, as well as the protection of soldiers serving in the defense forces for non-regulated [arpusreglamentu] relations. Bruvers is the first representative of the opposition in the cabinet of ministers led by Valdis Birkavs.

Discussion of Skrunda 'Put Aside' for Security

LD0303232394 Riga Radio Riga Network in Latvian 1900 GMT 3 Mar 94

[Text] Today the Saeima resolved to put aside discussion of the bill from the faction For the Fatherland and Freedom (?owing to its content). This bill entails not giving authority to the Latvian delegation to sign agreements which allow the operation of the Skrunda Radar station after 31 August this year. As Foreign Minister Georgs Andrejevs said in the debate, because of the secrecy and importance of the information, he could not refute the opposition's arguments in an open plenary session of the Saeima. Andrejevs emphasized that the government does not doubt that the further operation of Skrunda radar does not correspond to Latvia's interests, but the real political situation does not allow the government not to sign the agreement on the radar's operations for another five and a half years.

World Bank Promises $35 Million Loan

WS0303172294 Tallinn BNS in English 1347 GMT 3 Mar 94

[Text] Riga, Mar 03, BNS—World Bank (WB) plans to lend Latvian Government 35 million U.S. dollars for the

revival of Latvian Universal Bank and Latvian Savings Bank, Valdis Freidenfelds, Finance ministry press secretary, informed BNS.

Latvian Finance Minister Uldis Osis met with WB mission, led by Alex Fleming, to discuss the banks' revival project. The project is done by WB and the Bank of Latvia experts and it provides for the invest of part of 35 million loan in Latvian Universal Bank to take out of circulation those credits which cannot be presently paid off. The Universal Bank has such credits for 25 million lats and Savings Bank for 7 million lats.

Freidenfelds noted that WB loan to the Latvian banks will increase the extent of financial resources for granting of credits.

Part of the invested sum will be used for technical aid to those enterprises which cannot pay back credits and to save them from possible bankruptcy.

WB mission will stay in Latvia for two more weeks and meet with Economic Ministry and the Bank of Latvia's experts.

Lithuania

Ministry Protests Delayed Withdrawal From Estonia

WS0303210194 Tallinn BNS in English 1846 GMT 3 Mar 94

[Text] Vilnius, Mar 03, BNS—The Lithuanian Foreign Ministry expressed deep concern about Russia's statement March 2 that it would not withdraw its troops from Estonia by Aug. 31 as was promised earlier.

In a statement released Thursday, the Lithuanian ministry said "the Republic of Lithuania once again confirms its position that the withdrawal of Russian troops from Latvia and Estonia must be carried in accordance with the requirements of the international community, which are indicated in the 47/21 resolution of the United Nations and Article 15 of the CSCE 1992 Final Document."

"Lithuania fully supports Estonia in its efforts to achieve a speedy withdrawal of the Russian army." The ministry expressed hope that Estonia and Russia will find mutually acceptable ways to resume bilateral talks and that Russian troops will leave Estonian territory by Aug. 31.

Russian Col Yegorov Arrested in Lithuania

PM0303135594 Moscow KRASNAYA ZVEZDA in Russian 2 Mar 94 p 3

[Report by Valeriy Gromak: "The Enemies of Which People Are They Seeking in Lithuania this Time?"]

[Text] On Monday evening, KRASNAYA ZVEZDA's Kaliningrad correspondents' center received a late caller. I cannot give you his name right now because he is afraid for his life and that of his close relatives living in Lithuania.

The visitor brought me Saturday's issue of the city newspaper KLAIPEDA (issue no. 38, 26 February). On page one the newspaper carried a photograph of Colonel Vitaliy Yegorov, former chief of the political department of the Baltic Fleet's coast defense division, when he was in Klaipeda. The comment under the headline " 'Enemy of the People' Detained?" read like this: "It has been learned from unofficial sources that Vitaliy Leonidovich Yegorov, former chief of the political department of a USSR division stationed in Klaipeda, was detained in Klaipeda yesterday.

"A. Grublis, chief of the Klaipeda department of the Lithuanian Republic's security service, stated that nothing of the kind has happened. Nevertheless, when the newspaper had been prepared for the press, those same unofficial but reliable sources gave another guarantee that V.L. Yegorov had been detained and taken to Vilnius where he will be charged with antistate activity during the putsch in August 1991. If these facts are confirmed an international scandal can be expected because V.L. Yegorov is a Russian citizen who is backed by some fairly influential politicians."

"Vitaliy Leonidovich rang me late at night and said that he had been forced to hide because they wanted to arrest him. He asked me to go right to the president to request protection for a Russian officer and citizen," my visitor told me.

Colonel Vitaliy Yegorov has served a number of years in the coast defense division and I have often had occasion to meet with in the course of my work.

Criminal proceedings were instituted against him and Major General Ivan Chernykh, former division commander, two years ago after the events of August 1991. In April 1992, division commander Ivan Chernykh was unlawfully arrested by the Lithuanian prosecutor's office but was released that same day after firm actions by the Russian military and diplomats. I took part in the talks and the newspaper gave a detailed account of this unlawful act by the Lithuanian authorities. Now, three years later, Col Vitaliy Yegorov, another Russian serviceman, has been declared an "enemy of the people" in Klaipeda.

Of course, this comment in the Klaipeda city newspaper might have passed unnoticed. But the point is that it appeared right after the parliamentary address by Russian President Boris Yeltsin in which it was stated that Russia has in its possession a great many facts proving that our fellow countrymen are being subjected to discrimination in neighboring states. And it is Russia's duty not just to talk about ending such practices but to do something about it. This publication also appeared after the State Duma adopted the decree on the amnesty which applied among others to the participants in the events of August 1991...

Clearly someone had good reason for creating this fuss over the Russian President's statement and the State Duma's decision. They chose for this a target which has become customary in the Baltic region—a citizen of the Russian Federation and a colonel in the Russian Army. It bears a familiar hallmark...

Security Committee Head Denies Need for Fighters

WS0303134494 Vilnius RESPUBLIKA in Lithuanian 22 Feb 94 No. 35 p 2

[Unattributed report: "How Much and What Type of Army Does Lithuania Need?"]

[Text] Yesterday, the State Defense Council held its meeting chaired by the president. The meeting discussed the possibilities of producing military equipment in Lithuania. A decision was adopted to coordinate all issues with Latvia and Estonia, and to set up a special working group to analyze the possibilities of its own production and assess its economic basis.

As V. Petkevicius, chairman of the Seimas [parliament] National Security Committee, reported to RESPUBLIKA, alongside these problems, the meeting also dealt with technical matters in deploying the Army and the issue of control over the airspace. RESPUBLIKA found out that the problem of the establishment of a peacekeeping battalion was postponed for another meeting which will, probably, be held on 7-14 March. According to V. Petkevicius, the "Partnership for Peace" agreement does not oblige a single country to form peacekeeping battalions or corps. Preliminary estimations show that the establishment of such a battalion or a corps would require about $30 and $10-12 million, respectively. The Defense Council also had to consider the manner in which European standards must be applied to the Lithuanian Army. In V. Petkevicius' opinion, first of well, Lithuania should decide how much and what type of Army it needs. The military could claim 5 percent of the national budget at best. Unfortunately, the purchase of fighters will have to be abandoned, to say nothing of luxury cars for the National Defense Ministry. According to V. Petkevicius, fighters in Lithuania are as necessary as skis in Africa.

Speaking about the problems at the National Defense Ministry, the chairman of the Seimas National Security Committee noted that measures would be applied to prevent the temptation of dealing in arms—a draft law regulating the purchase of arms for Lithuanian defense structures is being prepared. The draft law does not project that "arms will be bought by the Arms Fund alone, and that ministries will be only contractors and experts in arms quality." Currently, the Prosecutor General's Office is investigating 150 cases concerning disorder at the National Defense Ministry.

Officials on Draft Treaty With Poland, Issues

LD0203130894 Vilnius Radio Vilnius Network in Lithuanian 1000 GMT 2 Mar 94

[Excerpt] Five press conferences were held at the Seimas Palace today. Here is Madona Luckaite reporting about some of them.

[Luckaite] Chairman of the Center Union and Seimas member Romualdas Ozolas spoke on issues of Lithuanian foreign policy. In two weeks time a meeting of the presidents of the Baltic states should be held in Palanga during which the question of whether it is expedient to appeal to the United Nations concerning the recognition of the past occupation of the Baltic states. He said that Russia was making all efforts that no document would testify to the occupation of the Baltic States. Therefore the Lithuanian president should once again speak at this meeting for the strengthening of the security of all these countries.

Speaking about the Lithuanian-Polish treaty, Romualdas Ozolas said that a treaty where there is no assessment of the Zeligowski aggression, at least in a declaration, is not worth signing at all. The following version is even better: the treaty has been signed, however, the declaration has not. This would be a clear assessment of the aggression. The presently existing text of the treaty cannot be signed. International documents have to be worded clearly and [words indistinct] truth should be placed between Lithuania and Poland, Romualdas Ozolas stressed. Gediminas Vagnorius, member of the Lithuanian Seimas and chairman of the Lithuanian Conservative Party administration board, speaking at the press conference held by the Seimas opposition, said that 16 months have already passed after the Seimas elections; however, the Lithuanian Democratic Labor Party had not yet started to carry out its duties. It is looking backwards and it is firmly aspiring to satisfy personal property interests.

So far it is impossible to see any signs of stabilization because the industrial output has fallen even by 2.5 times since the Seimas elections and continues to decline by ten percent every month. The real income of the population is maintained by using the credits received from abroad, yet in spite of this the average wages in the country at the beginning of this year reached only 290 litas while in the autumn of 1992 it was more than 600 litas.

Last year, ten percent of enterprises have been registered according to the law on primary privatization as separate companies avoiding the privatization departments and thus avoiding any payment.

Attempts are made to transfer property worth six or seven billion litas which is almost the amount of capital which had to be transferred to saving and other banks for the compensation of peoples lost savings. [passage omitted]

Adviser Says 'Nothing To Conceal' From Israel

WS0203193694 Tallinn BNS in English 1640 GMT 2 Mar 94

[Text] Vilnius, Mar 02, BNS—Lithuania has nothing to conceal from Israel, Justas Paleckis, the Lithuanian president's foreign policy adviser, said commenting on reports that Israel is unsatisfied with the imaginary hostility of Lithuanians toward Jews.

Apart from publications in the Israeli press, Reuters recently quoted Israel's Justice Minister David Libai as saying that "the Lithuanian Government must bear responsibility for punishing war criminals and returning Jewish property stolen and confiscated in World War II."

The Lithuanian Foreign Ministry is still trying to obtain the official text of the Israeli minister's statement, but did not have it as of noon Wednesday.

In an interview with Lithuanian TV, Paleckis said relations with Israel must be based on the future as it is done in relations with Russia, Germany, Poland and other countries, but not on the past. "There is every possibility to have very good relations with Israel."

Vidmantas Vaicekauskas, senior investigator of the Lithuanian Prosecutor General's Office, said "this soap bubble about the lawfulness of rehabilitation is only a pretext,...everything lies in property problems of Jews."

Restitution in Lithuania is applied only to Lithuanian citizens who permanently live in the country.

Vaicekauskas said the Lithuanian legislation does not provide for a possibility to open a branch office of the Simon Wiesental Center in Lithuania because it is "a social organization of a foreign state."

Corruption Blamed for Ruling Party Inaction

WS0303160194 Tallinn BNS in English 1022 GMT 3 Mar 94

[Text] Vilnius, Mar 03, BNS—Opposition MP Gediminas Vagnorius disagrees with Prime Minister Adolfas Slezevicius that economic stabilization is already felt in Lithuania.

At a press conference Wednesday [2 March], Vagnorius said industry production after the 1992 parliamentary elections dropped 2.5 times and continues to decrease by 10 percent each month. In his words, if the process is not stopped, the industry will be in a very deep crisis already this year.

Vagnorius said the average salary has already dropped to a critical line. In his words, salaries have decreased two times since the fall of 1992.

The lawmaker said the ruling Lithuanian Democratic Labor Party cannot be blamed only for lack of competence. In his opinion, the party in power is so deeply involved in corruption that it can not make a move without approval of its "sponsors." Vagnorius, who is one of the leaders of the Conservative Party, said there is no other way to overcome the crisis but to hold early parliamentary elections in early 1995.

Some other rightist political forces suggest to elect a new parliament next fall.